Ministry of Consumer and Corporate Affairs

Annual Report 1985

Honourable Elwood N. Veitch
Minister of Consumer and
Corporate Affairs

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MINISTRY OF CONSUMER AND CORPORATE AFFAIRS

ANNUAL REPORT

FOR THE YEAR ENDING

MARCH 31, 1985

Province of British Columbia
Ministry of Consumer and Corporate Affairs

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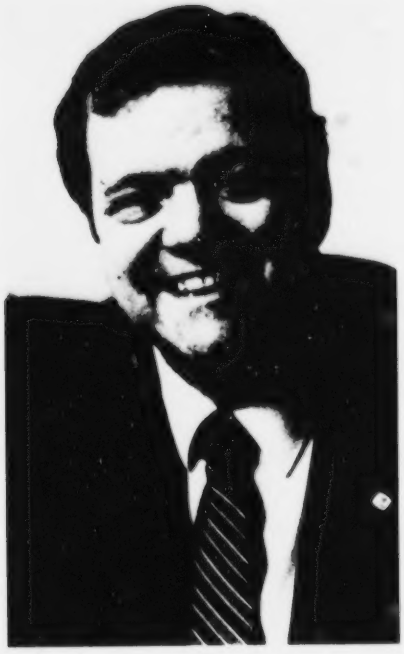


THE HONOURABLE ELWOOD N. VEITCH

To the Honourable
Robert Gordon Rogers
Lieutenant-Governor of the
Province of British Columbia

May It Please Your Honor:

I have the honour, Sir, to submit respectfully the Annual Report of the Ministry of Consumer and Corporate Affairs under the Ministry of Consumer and Corporate Affairs Act for the Year ended March 31, 1985.

Elwood N. Veitch
Minister of Consumer and
Corporate Affairs

JILL BODKIN

To the Honourable Elwood N. Veitch
Minister of Consumer and Corporate Affairs
Parliament Buildings
Victoria, British Columbia

Sir:

I have the honour to submit for your consideration the Annual Report of the Ministry of Consumer and Corporate Affairs under the Ministry of Consumer and Corporate Affairs Act for the year ended March 31, 1985.

Jill Bodkin

Jill Bodkin
Deputy Minister
Ministry of Consumer and
Corporate Affairs

TABLE OF CONTENTS

Introduction 1
- Legislation 2
- Senior Staff 3
- Message from the Deputy Minister 5

Consumer and Tenancy Relations
- Consumer Credit and Debtor Assistance Branch 7
- Registrar of Travel Services 11
- Investigation Branch 13
- Residential Tenancy Branch 15
- Registrar of Motor Dealers 18
- Trade Liaison 19
- Registrar of Cemeteries 20

Corporate and Financial Relations
- Corporate, Central and Mobile Home Registry 24
- Superintendent of Brokers, Insurance and Real Estate 28
- Investigations and Inspection Section 33
- Superintendent of Credit Unions, Co-operatives and Trust Companies 35

Liquor Control and Licensing Branch 42

Liquor Distribution Branch 47

Boards and Commissions
- Corporate and Financial Services Commission 49
- Commercial Appeals Commission 49
- Auditor Certification Board 49
- Travel Assurance Board 12

Support Services
- Policy, Legislation and Program Planning 50
- Information Systems Branch 51
- Legal Services 51
- Personnel Services 52
- Operational Review 54
- Information and Education Branch 55
- Financial and Administration Branch 56

Index to Statistical Tables 57

INTRODUCTION

The Ministry of Consumer and Corporate Affairs' mandate is to foster confidence in the British Columbia marketplace and in businesses regulated by the Ministry through measures which protect the public in their dealings with regulated businesses and facilitate a positive climate in which such businesses can operate.

The Ministry's primary role is to establish the rules of the marketplace, to monitor compliance with the rules and to enforce the rules when necessary.

For example, the Consumer and Tenancy Relations Program seeks a fair balance by protecting consumers without infringing on the rights of responsible businesses. In the interests of the entire community, it aims to preserve the rights and freedoms of everybody in the marketplace -- and to make sure unscrupulous individuals and practices do not flourish.

The program administers legislation governing motor dealer licensing, cemetery and funeral services, consumer protection, trade practices credit and debtor assistance, travel services and residential tenancies. Staff of the program also liaise with consumers and businesses and support the consumer education course in high schools in cooperation with the Ministry of Education.

In the same way, the Corporate and Financial Relations Program, which concentrates on financial, commercial and investment activities, must also achieve a delicate balance. In regulating aspects of the securities, insurance and real estate markets as well as trust companies, credit unions and co-operatives, it makes the rules -- and then makes sure they are followed. If it doesn't regulate well, investors will lose out to unscrupulous dealers. If it over-regulates, there won't be any dealers around, even honest ones. So the program aims both to encourage investment and to maintain investor confidence through safe and orderly markets.

The Ministry also has control over matters relating to liquor through operation of the Liquor Control and Licensing and Liquor Distribution Branches. Again, a balance must be struck between providing convenient access for customers and suppliers and minimizing the social costs of alcohol consumption.

The mandate of the British Columbia Ministry of Consumer and Corporate Affairs is different from Consumer and Corporate Affairs Canada. The federal department is responsible for matters such as product safety, competition policy, bankruptcy, patents, trade marks and copyrights. It is also different from the work of Better Business Bureaus in British Columbia. One objective of these agencies is to mediate problems between businesses and consumers when parties are unable to resolve problems on their own.

LEGISLATION ASSIGNED TO CONSUMER AND CORPORATE AFFAIRS

CONSUMER AND TENANCY RELATIONS

Bankruptcy Act (Federal - Part X only)
Blind Persons Rights Act
Cemetery Act
Cemetery Company Act
Cemetery (Municipal) Act
Commercial Tenancy Act
Consumer Protection Act, 1967 -- Chapter 64
Consumer Protection Act -- Chapter 65
Credit Reporting Act
Cremation Act
Debt Collection Act
Debtor Assistance Act
Funeral Plan Act
Motor Dealer Act
Pyramid Distribution Act
Rent Distress Act
Repairers Lien Act
Residential Tenancy Act
Trade Practice Act
Trading Stamp Act
Travel Agents Act

CORPORATE AND FINANCIAL RELATIONS

Book Accounts Assignment Act
Chattel Mortgage Act
Commercial Appeals Commission Act
Commodity Contract Act
Company Act
Company Clauses Act
Condominium Act
Cooperative Association Act
Creditor Assistance Act
Credit Union Act
Insurance Act
Insurance (Marine) Act
Investment Contract Act
Mobile Home Act
Mortgage Brokers Act
Mutual Fire Insurance Companies Act (not consolidated)
Partnership Act
Real Estate Act
Sale of Goods Act
Sale of Goods on Condition Act
Sale of Goods on Consignment Act
Savings and Loan Associations Act (not consolidated)
Securities (Forged Transfer) Act
Securities Act (excluding Section 140)
Society Act
Trust Company Act
Vancouver Stock Exchange Act

LIQUOR CONTROL AND LICENSING BRANCH

Liquor Control and Licensing Act

LIQUOR DISTRIBUTION BRANCH

Liquor Distribution Act

OTHER

Ministry of Consumer and Corporate Affairs Act
Tug Boat Worker Lien Act
Warehouse Lien Act
Warehouse Receipt Act
Woodworker Lien Act
Inflation Control Act

SENIOR STAFF

AS AT MARCH 31, 1985

Executive

Minister	James J. Hewitt
Deputy Minister	M. A. (Jill) Bodkin

Support Services

Executive Director of Finance and Administration	W. G. Stewart
Director of Operational Review	C. Phemister
Director of Finance	W. MacMunn
Director of Personnel Administration	F. E. Fagan
Executive Director of Policy, Legislation and Program Planning	R. L. Doney
Acting Director of Information and Education	R. J. Stevens
Senior Solicitor (Ministry of Attorney General)	R. C. H. Fultz

Corporate and Financial Relations

Assistant Deputy Minister	J. D. Edgar
Superintendent of Brokers, Insurance and Real Estate	R. Bullock
Deputy Superintendent of Brokers	E. Jewitt
Deputy Superintendent of Insurance and Real Estate	D. Holbrook
Director of Filings	E. L. Affleck
Director of Investigations and Inspections	H. A. Dilworth
Superintendent of Credit Unions, Co-operatives and Trust Companies	J. H. Thomas
Deputy Superintendent of Credit Unions, Co-operatives and Trust Companies	D. Tant
Registrar of Companies, Central Registry and Mobile Homes	M. A. Jorre de St. Jorre
Deputy Registrar of Companies	L. Huck

Consumer and Tenancy Relations

Assistant Deputy Minister	S. G. Goodings
Director of Investigations	M. Hanson
Director of Consumer Credit and Debtor Assistance	H. Atkinson
Registrar of Credit Reporting	C. Bainbridge
Registrar of Motor Dealers	N. Manning
Registrar of Travel Services	S. G. Goodings
Registrar of Cemeteries	D. Patterson
Director of Residential Tenancy Branch	T. McDiarmid

Liquor Control and Licensing Branch

General Manager	R. A. Gould
Deputy General Manager of Licensing	D. E. Anderson
Deputy General Manager of Enforcement	Vacant
General General Manager of Policy, Research and Administration	K. G. Stewart
Chief Inspector	R. E. G. Smith

Liquor Distribution Branch

General Manager	R. A. Wallace
Director of Finance	L. N. Dyer
Director of Purchasing	K. D. Brownlow
Director of Store Operations	C. E. Ruddick
Director of Distribution	D. B. Wilkinson
Director of Security	J. R. Bowcott
Director of Internal Audit	D. W. Chung
Director of Systems and Data Processing (Acting)	M. E. Smith
Communications Manager	P. A. Vest
Manager of Employee Relations	K. L. Leigh
Manager of Employee Services	P. A. Vest
Manager of Corporate Planning and Research	S. M. Mark
Executive Secretary	L. A. Burfoot

Message from the Deputy Minister

Submission of an annual report provides the Legislature and the people of British Columbia with a record of the activities and accomplishments of the Ministry of Consumer and Corporate Affairs.

I look back on the reporting year 1984-85 with the satisfaction of knowing we have achieved many of our goals in a time of tight financing and increasing customer requests.

This annual report helps demonstrate the Ministry is more than the sum of the acts and regulations it administers. Staff are committed to fulfilling the Ministry's legislative mandate which is designed to serve the people of British Columbia.

The year 1984-85 was one in which we maintained consumer protection while, at the same time, moved forward with policies to deregulate a number of business sectors. Examples of these initiatives can be found throughout this report.

Internal reorganization set the stage to help the Ministry of Consumer and Corporate Affairs administer its legislation more efficiently.

All consumer legislation and programs have remained in place and a new Residential Tenancy Branch was added to the Consumer and Tenancy Relations program's mandate.

Corporate Affairs was restructured and renamed Corporate and Financial Relations in recognition of the importance of financial institutions to the future of the province.

Both reorganizations were part of a continuing process of refining the Ministry's public service goals. The intention is to make the British Columbia marketplace one in which people can have increasing confidence as consumers, renters, landlords, borrowers or investors.

A highlight in Consumer and Tenarcy Relations during the reporting year was passage of the new Residential Tenancy Act and formation of a new branch to replace the Office of the Rentalsman.

In broad terms, the new Residential Tenancy Branch encourages landlords and tenants in British Columbia to work together to solve problems and provides an accessible and relatively inexpensive means to resolve certain landlord-tenant disputes. A submission later in this report chronicles the new branch's activities.

In Corporate and Financial Relations, staff focused on balancing public confidence in commercial, financial services and investment markets with the need to ensure the regulations governing activities in the insurance, real estate, securities and financial institutions fields do not unnecessarily impede business activity and growth.

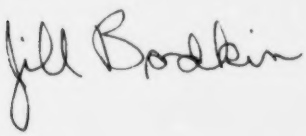
Among the highlights from this program were establishment of a Mining Evaluation Committee to assist the Superintendent of Brokers in assessing technical reports on properties seeking public offerings of securities; revision of policy affecting high technology companies and other industrial offerings to require more detailed technical reports; introduction of a Commodity Contract Amendment Act to provide regulation of this specialized part of the securities market and continued development of a new Securities Act for British Columbia.

For the Liquor Control and Licensing and Liquor Distribution Branches, Expo 86 presented challenges to traditional administration of laws governing sale and distribution of beverage alcohol in the province.

A special class of license for establishments on the Expo site was created to enable the General Manager, Liquor Control and Licensing, to stipulate conditions tailored to licensee needs at a world's fair. This change to the laws reflects the ideas and customs which are common to international expositions. It is also consistent with levels of service expected by visitors. The Liquor Distribution Branch was granted authority to supply products to establishments at Expo 86 and the Expo 86 corporation was granted permission to enter into contracts with liquor manufacturers for promotional rights. Further details on the work of both the Liquor Control and Licensing and Liquor Distribution Branches are outlined in the pages which follow.

To support program staff throughout the Ministry, financial, administrative, personnel, information systems, operational review, policy, legislative and public relations services were also provided. Integration of these functions in Management Support Services strengthened Ministry program areas.

In looking forward to the next fiscal year, I am confident we will build on the past year's progress to ensure that British Columbia offers a fair marketplace.



Jill Bodkin
Deputy Minister

Consumer Credit and Debtor Assistance Branch

Since its establishment in 1977, this branch has assisted individual consumers in repaying their debts by mediating with their creditors and by providing counselling on consumer credit matters.

In serving both those who lend money and those who owe money, branch staff work to serve the best interests of the debtor, who might otherwise go bankrupt and the creditor, who might otherwise not receive payment.

Branch staff:

- o counsel debtors to make repayment arrangements with their creditors while still maintaining a necessary standard of living;
- o regulate activities of credit grantors, collection agencies, reporting agencies and bailiffs to ensure compliance with provincial credit and debt legislation;
- o maintain contact with debtors, creditors, reporting agencies, bailiffs and federal and provincial government agencies on credit and debt matters; and,
- o answer inquiries on debt problems and credit legislation as well as liaise with schools, community groups and the credit industry.

These major activities are carried out through two branch programs -- the Consumer Credit Program and the Debtor Assistance Program. Legislative authority is granted by the Debtor Assistance Act, Debt Collection Act, Credit Reporting Act, sections of the Consumer Protection Act and Part X of the federal Bankruptcy Act.

These laws govern the relationship between creditors and debtors, define the rights and responsibilities of each and set the mandate for regulating activities of marketplace participants in the credit industry.

During the reporting year approximately $2.6 million -- which might not otherwise have been repaid -- was returned to business and general creditors.

<u>Debtor Assistance Program</u>

The objective of this program is to help debtors repay debts consistent with their ability.

In particular, branch staff can:

- o arrange meetings between a debtor and his creditors to bring about satisfactory arrangements for settlement of debts;
- o advise and assist a debtor in preparing a plan for settlement or repayment of debts;
- o aid a debtor in obtaining postponements, adjustments or extensions of time for payment of his debts;
- o provide advice and assistance to a debtor who cannot meet his liabilities and who through

court proceedings or otherwise is being pressed for payment by his creditors;

- o provide information on consumer credit and debt matters; and,

- o receive money in trust from a debtor for transmission to creditors according to the debtor's instructions.

The branch first attempts to help the client find his or her own solution to a particular debt problem. This usually involves an assessment of the client's income and financial commitments before encouraging discussion with creditors to work out a mutually acceptable repayment plan.

If a client is unemployed, considering filing for bankruptcy or is facing a creditor who must resort to foreclosure or repossession, information about rights and responsibilities of the debtor is also supplied.

Five counsellors work from a Vancouver office which serves Vancouver and the Lower Mainland as well as the Prince Rupert, Kitimat and Terrace areas.

Two counsellors are headquartered in Kamloops and cover the Prince George, Okanagan, Kootenay and Kamloops regions.

Another two counsellors are stationed in Victoria to provide services for residents of the Campbell River, Nanaimo, Powell River and Greater Victoria regions.

During the year under review, branch staff counselled 5,121 clients. That represents a decrease of 212 clients from the previous reporting year.

Approximately 90 per cent of clients counselled live in British Columbia's largest urban areas -- Greater Victoria and the Island, Greater Vancouver, Kamloops, Penticton, Kelowna, Prince George and the Kootenays.

Activities under the federal Bankruptcy Act

British Columbia is one of six provinces delegated responsibility from the Government of Canada to administer Part X of the Bankruptcy Act.

Along with Nova Scotia, Prince Edward Island, Manitoba, Saskatchewan and Alberta, British Columbia debtors are able to apply to a Ministry debt counselling office for consolidation orders which set out terms for the orderly repayment of debts. The order specifies the name of and amount owing to each creditor, the amounts of payment and the schedule of payments to the courts.

In essence, the consolidation order amounts to a judgement of the court in favour of each creditor named in the order.

With consolidation orders, the duty of the courts is to ensure money paid in is disbursed to creditors in line with terms of the order.

The Consumer Credit and Debtor Assistance Branch works with debtors to prepare their applications for consolidation orders and liaises with courts and creditors on issues related to orderly payment of debt caseloads.

During the reporting year, 445 orderly payment of debt orders were granted.

A comparative table of past years is included in the appendix.

By working with debtors to prepare and then later assist in complying with terms of the order, the branch has played a useful role in reducing the demand on court services. The 1,500 ongoing orderly payment of debt orders in place during the reporting period might have resulted in 12,000 actions in court if the option of debt repayment was not in place.

The branch was successful in working with its clients to return $2,610,815 to creditors in 1984-85 -- a $720,163 or 21.6 per cent decrease over the previous reporting year.

More detailed figures respecting the impact of Part X of the federal Bankruptcy Act is provided in the appendix.

As noted above, counsellors may also negotiate less formal repayment arrangements with a debtor's creditors and hold debtors' money in trust for disbursement to creditors.

During the reporting year, an internal study was initiated to examine frequency of default under both repayment schemes and to assess the efficiency of the debtor assistance program.

Consumer Credit Program

Consumer credit is a major industry representing $5 billion in consumer credit outstanding in British Columbia and $15 billion in mortgage credit.

The two major activities of the Consumer Credit Program are to regulate activities of the credit industry as outlined in the Credit Reporting Act and to assume administrative responsibility on all credit issues such as advertising, disclosure and credit practices provisions of the Consumer Protection Act.

The program is responsible for licensing reporting agencies, developing policies for their operations and handling complaints received by consumers.

Regulations apply to credit bureaus, retail department stores, oil companies, insurance companies, banks, credit unions, trust companies and all others who keep and give out personal information as part of their business activity.

Guidelines are in place to control what type of information can be collected, where it can be stored, who can obtain it and the purposes for which it can be obtained. Disclosure provisions are also included -- the sources of information and the names of recipients of a report must be provided to a consumer upon request.

In 1984-85, 38 credit reporting agencies were operating in British Columbia; the same number were operating in 1983-84.

Twenty-eight written complaints and 140 telephone enquiries and/or complaints were handled by branch staff. Over 80 per cent of the complaints were questions about what kind of information consumer reporting agencies can collect, how long the information can be kept on file and how an individual can obtain access to his or her file.

Credit bureau disclosures to consumers of information on file also increased from 22,366 to 28,970 in 1984-85. No licenses were suspended or cancelled and no prosecutions were launched during the reporting period.

The branch also enforces reasonable collection and seizure practices of agencies and court bailiffs to ensure undue pressure is not exerted on debtors, their families or their employers.

Bailiffs and collection agents must be licensed and must conduct their operations in accordance with provisions of the Debt Collection Act.

Collection agents or private bailiffs may be prosecuted for contravention of the Act. One prosecution was underway during the reporting period.

In 1984-85, 145 licenses were issued to debt collection agencies, while 560 licenses were issued to collectors employed by these agencies. One hundred and forty-four written complaints were handled as were 2,861 telephone enquiries/complaints. One prosecution was underway for failure of a collection agency to comply with an order of the branch and nine licenses were suspended or cancelled.

Comparative statistics are provided in the appendix.

Branch and Resources

In 1984-85, the Consumer Credit and Debtor Assistance Branch employed a total of 25 full-time equivalents.

Total expenditures for the branch were $1,006,101. Just under three-quarters of that budget was allocated to the Debtor Assistance Program. Total staff commitment to that area during the reporting year was 20. Two staff administer activities under the consumer credit program and another two staff were involved in debt collection administration.

Efforts to further consolidate office space in Vancouver were under discussion.

Discussion also began during the reporting year on decentralizing services in Vancouver. The possibility of a sub-office of the Vancouver office - likely in Surrey or New Westminster -- was being considered for potential implementation in 1986-87.

Registrar of Travel Services

Under the Travel Agents Act, passed in British Columbia in 1977, consumers' payments to registered travel agents and wholesalers are protected.

The act was passed to protect consumers from failures of travel agents, wholesalers and foreign suppliers in the event of bankruptcy.

Failures in the travel industry during the 1975-78 period and implementation of legislation in Ontario and Quebec were events which led British Columbia to consider enacting its own legislation.

By the fall of 1976, British Columbia had decided to regulate the travel industry using a similar scheme to that employed in Ontario.

The Travel Agents Act provides that everyone who sells travel services in British Columbia must be registered by the Registrar of Travel Services. Agents or wholesalers who fail to meet certain standards of honesty, integrity and financial stability may lose registration and the right to operate.

Where the registrar considers it would not be in the public interest to register an applicant or continue registration, he may refuse to register or renew registration, cancel registration or suspend registration.

Financial statements are required to be filed at least annually with the Registrar of Travel Services.

As well, the registrar is empowered under the act to enter the business premises of a travel agent or wholesaler to make an inspection to ensure compliance with the act.

Where the registrar believes that a person has or is about to contravene provisions of the act or has committed a criminal offense, an investigator can be appointed to look into the matter more fully.

The registrar also has power to freeze bank accounts and to order a person under investigation to refrain from dealing with assets if he believes it is necessary to protect consumers. As an alternative to freezing assets, the registrar may require posting of a personal bond, or a bond of a guarantee company. In extreme cases, the registrar may apply to the courts for appointment of a receiver, liquidator or trustee to act in the best interests of the creditors, persons whose property is in the possession of that person, and the travellers, tourists or sightseers protected by the act.

The registrar may also apply to the Supreme Court of British Columbia for a restraining order to force compliance.

In addition to regulating the travel industry, the Registrar of Travel Services provides advice and assistance to industry members to help ensure protection of clients.

Staff are routinely involved with travel agents, tour wholesalers, bed and breakfast operators, airlines, banks, bus companies, hotels, industry associations,

travel press, accountants, lawyers and registrars of Ontario and Quebec.

Fees are collected from travel agents and wholesalers by the registrar, both for licensing and for contributions to the Travel Assurance Fund. Fees are used to ensure continued solvency of the fund and to assist in covering administrative costs.

Upon registration, each agent and wholesaler contributes $400. One hundred dollars is deposited in the Consolidated Revenue Fund and the other $300 is deposited in the Travel Assurance Fund. Subsequent contributions are based on volume of sales. Contributions are made to the registrar who deposits monies in a trust account for processing when claims are made against the Travel Assurance Fund.

Travel Assurance Board

Consumers who fail to receive services they paid for are reimbursed from the Travel Assurance Fund if the agent or wholesaler whom they paid goes out of business. Claims against the fund are heard and decided by the Travel Assurance Board. The board comprises seven members appointed by the Lieutenant Governor in Council. The registrar, although not a member of the board, acts as its secretary and provides the information and particulars respecting claims against the fund.

The board hears and decides claims against the fund and files annual reports with the Minister. Board decisions can only be appealed to the Supreme Court of British Columbia on a question of law or excess of jurisdiction.

A person who has suffered direct economic loss by reason of insolvency or bankruptcy of a travel agent or travel wholesaler is entitled to make a claim to the board within one year of default.

Claims are accepted by the registrar for consideration by the Travel Assurance Board.

In addition to liaison with industry or licencing, collecting of funds and inspecting, consultation with industry associations and trade press on a variety of issues is also an activity of staff.

Increased use of computer technology was introduced to enable redeployment of staff into inspections.

At the end of the reporting year, there were 802 registrants under the Travel Agents Act. Approximately 60 per cent of these registrants are concentrated in the Lower Mainland and on Vancouver Island.

The Office of the Registrar of Travel Services employed 5 full-time equivalents during the reporting year and operated with a budget of $197,000.

A statistical summary of activity is provided in the appendix.

Investigation Branch

This branch, formed in 1973, investigates alleged offenses against consumer protection laws and mounts enforcement proceedings where necessary. The following statutes are administered by the branch:

Blind Persons Rights Act
Cemetery Act
Cemetery Company Act
Cemetery (Municipal) Act
Commercial Tenancy Act
Consumer Protection Act, 1967 (Chap. 64)
Consumer Protection Act, (Chap. 65)
Credit Reporting Act
Cremation Act
Debt Collection Act
Funeral Plan Act
Pyramid Distribution Act
Repairers Lien Act
Residential Tenancy Act
Sale of Goods Act
Trade Practice Act
Trading Stamp Act
Travel Agents Act

The statutes which give rise to most investigations are the Consumer Protection Act and the Trade Practice Act.

The Consumer Protection Act provides disclosure rules for consumer sales contracts and sets conditions for food plan contracts, tax discounting and negative option schemes. It is designed to promote fair dealing in the marketplace and to prevent misleading or unconscionable acts or practices.

If claims about goods or services are accurate and all necessary information to assist the consumer to make a choice has been given, then the consumer benefits and so do suppliers who are protected from dishonest competitors.

The Trade Practice Act applies to most contracts between individuals and businesses except real property, securities and contracts for insurance.

Deceptive practices are claims (such as sales pitches, advertisements, signs) that have the "capability, tendency or effect of deceiving or misleading" a consumer. They may also take the form of failure to disclose important details which would affect a buying decision.

Some examples of <u>deceptive practices</u> are:

- o making any false claim for a product, service or supplier;
- o making unnecessary repairs or falsely claiming to have replaced parts;
- o exaggerating price reductions or claims of savings;
- o failing to state when there is a limited quantity on a sale item;
- o using a "prize" or survey as a come-on while failing to disclose that a sales solicitation is the real purpose of the call;
- o grossly exceeding an estimate without prior notification;
- o using "bait and switch" -- that is offering goods at a bargain price <u>(bait)</u> which are not intended for sale and then <u>(switch)</u>ing consumer to higher priced items; and,

- advertising the unit costs (such as monthly payments) of an item without including the total cost.

The Trade Practice Act also prohibits what are known as unconscionable practices as follows:

- taking advantage of a customer's physical or mental infirmity, age, ignorance or inability to understand the language of the contract;

- leading a customer to believe a product is competitively priced when in fact its price is outrageously higher than similar products available;

- extending credit to a consumer who is unlikely to be able to meet the payments;

- making a sale on any terms or conditions which are unfair, for example, setting out terms in a contract which are contrary to a consumer's basic rights; and,

- using excessive and unreasonable pressure to get a consumer to enter into a transaction.

Investigations can be carried out anywhere in the province. Investigators are located in Victoria, Prince George and Kamloops. As well, three investigators are supervised by a chief investigator in Vancouver.

Where fraud is disclosed in an investigation, the matter is generally referred to the police with the branch assisting in any way possible. Enforcement techniques available to the Director of Trade Practices, who is also director of the Investigations Branch, are prosecution, application for declaration and injunction, initiation of a substitute action on behalf of a consumer(s) with the Minister's consent or negotiation of an undertaking given by a supplier.

A summary can be found in the appendix. Reports summarizing enforcement actions of the branch are available on request.

A total of 611 investigations were started and each investigator carried an average of 38 investigations during the year.

Expenditures for the branch were $484,497 in the reporting year.

Residential Tenancy Branch

The Residential Tenancy Branch administers the Residential Tenancy Act, which became effective July 1, 1984.

In broad terms, the goals of the branch are to encourage self-resolution of landlord-tenant problems through public education and information, and to provide an accessible and inexpensive means of formal resolution for certain disputes.

Branch staff:

- o provide information to landlords and tenants on their rights and responsibilities under the legislation through telephone inquiries, personal interviews and correspondence;
- o administer a dispute resolution process using government-appointed arbitrators;
- o examine and investigate alleged contraventions of the Residential Tenancy Act and take appropriate action including informal mediation and recommendation for prosecution;
- o conduct ongoing research and monitoring of the rental housing market, including the collection of data from Notices of Rent Increase respecting mobile home pad tenancies; and,
- o carry out public speaking engagements and visit community groups to improve public awareness of Residential Tenancy Act provisions.

The Residential Tenancy Act covers all important aspects of landlord-tenant relationships, including rights and responsibilities of landlords and tenants, methods and reasons for terminating tenancies, repair and maintenance of premises, rent increases, monetary claims and compensation.

The legislation governing residential tenancies in British Columbia was first introduced in 1974 and was based on recommendations of the Law Reform Commission. These recommendations responded to a recognized need for new statutory provisions governing modern residential tenancies. The offices of the Rentalsman and Rent Review Commission were established at that time and eventually amalgamated in 1980.

The new Residential Tenancy Act of 1984 created the Residential Tenancy Branch, which replaced the Office of the Rentalsman and represented a reduction in government involvement in the regulation of certain aspects of the residential tenancy market. The new act instituted a system of shared jurisdiction over residential tenancy disputes of a time-urgent nature. Specific disputes are resolved through arbitration processes administered by the Residential Tenancy Branch unless the parties mutually agree to have all disputes resolved by the courts, or appoint their own arbitrator to resolve a specific dispute. All claims of a monetary nature fall under the jurisdiction of the courts.

The branch resolves landlord and tenant disputes relating to termination of tenancies, repairs and services, privacy and breaches of tenancy agreements through the use of government-appointed arbitrators. On

application and payment of a prescribed fee of $30, the registrar of the branch designates an arbitrator to hear the dispute at a scheduled arbitration hearing. The arbitration process is designed to provide a relatively inexpensive and quick mode of binding dispute resolution, which is less formal and more accessible to landlords and tenants than the Supreme or County Courts. The filing fee is generally awarded to the successful party.

Decision-making powers under the legislation are vested in the arbitrators, who exercise powers parallel to the Supreme and County Courts. They arbitrate disputed termination, early termination, possession and repair and service applications. These decisions and orders are enforceable through filing in the Supreme and County Courts and are reviewable on questions of law or jurisdiction only, under the Judicial Review Procedures Act.

The Residential Tenancy Branch began operation in July, 1984, at the time the new Residential Tenancy Act came into force. The jurisdiction of the rentalsman to receive new applications under the previous legislation ceased at that point and, during the months of July, August and September, 1984, rentalsman officers dealt with matters commenced under the previous statute while the Residential Tenancy Branch received arbitration applications and provided information to the public on new provisions and procedures applying to residential tenancies.

As a new program, the Residential Tenancy Branch's priorities during the reporting year included:

- development of procedures to deal with arbitration applications and creation of a procedures manual;
- training of staff on the new legislation and procedures;
- mass mailing of over 270,000 brochures on the Residential Tenancy Act to landlords and tenants throughout British Columbia; and,
- education of the public on the new provisions.

Public inquiries to the Residential Tenancy Branch averaged 8,300 telephone calls and 817 in-person inquiries per month during the fiscal year. In addition, an average of 53 information files per month were initiated by public inquiries. Information on landlord-tenant matters is provided by the branch's inquiry officers in order to assist landlords and tenants to resolve problems between themselves or, where such self-resolution is not possible, to enable them to pursue a resolution through arbitration or court action.

Seven arbitrators appointed by the Minister of Consumer and Corporate Affairs were contracted to provide arbitration and related services to the Residential Tenancy Branch. In addition to arbitrating applications under the new legislation, which averaged 197 per month during the reporting year, these arbitrators also resolved a further 66 applications commenced before the

rentalsman but not concluded prior to the repeal of the rentalsman's powers.

Tables providing further statistical information are included in the appendix.

The main office of the Residential Tenancy Branch located in Vancouver and the branch office in Victoria receive arbitration applications, answer public inquiries on landlord-tenant matters and supply prescribed forms and informational material pertaining to the Residential Tenancy Act. In addition, government agents throughout the province supply the public with forms and informational material and receive arbitration applications for immediate electronic transmission to the Vancouver branch office.

There are approximately 400,000 rental units in British Columbia regulated by the Residential Tenancy Act. Residential properties as diverse as basement suites, mobile home pads, high-rise apartment buildings and single family homes fall under this legislation. Approximately 70 per cent of the rental units are located in the Lower Mainland area, with another 10 per cent in the Victoria area and the balance spread throughout the province. This distribution of rental properties is generally reflected in the origin of the applications received by the branch.

The Residential Tenancy Act provided that a maximum of $2,000,000 could be paid out of the Consolidated Revenue Fund before March 31, 1985 for expenditures required as a result of the enactment of the new legislation. The actual expenditures for the Residential Tenancy Branch in the fiscal year totalled $1,139,379. The branch collected revenues of $52,410 in arbitration filing fees during that period. The chart in the appendix combines these figures with those of the Office of the Rentalsman to provide total expenditures for both programs.

It was initially anticipated that a staff of approximately 35 would be required to fulfill the mandate of the Residential Tenancy Branch. Thirty-three employees were transferred to the branch from the Office of the Rentalsman. However, due to a lower than anticipated workload and increased operational efficiencies, staffing had been reduced to a level of 25 by the end of the fiscal year, with a full-time equivalent utilization level of 22.

Registrar of Motor Dealers

The Registrar of Motor Dealers is responsible for administering the Motor Dealer Act and regulations.

During the late 1970's, numerous complaints were received regarding activities of motor dealers. As a result, a number of motor dealer associations and motor dealers approached the government to bring in legislation which they hoped would improve the status of the industry.

The Motor Dealer Act came into effect in January of 1979.

It provides that a person must be registered to carry on business as a motor dealer. In order to register, a motor dealer must maintain and occupy proper business premises in a properly zoned area, must have a display area and must operate repair facilities or maintain a service contract with a repair outlet. The premises must be identified by a sign and the applicant must post security of $5,000.

The act also provides that certain information regarding a motor vehicle, if known to the dealer, must be passed on to the purchaser via the purchase and sales agreement. For example, if a vehicle is known to have been a taxi, a lease or rental unit or a police vehicle, if a used motor vehicle has been damaged at a cost exceeding $2,000, if the vehicle has been brought into the province for resale or if it was previously registered in another jurisdiction, the purchaser must be informed. Furthermore, the fact that an odometer reading is incorrect must also be disclosed. All motor vehicles offered for sale must have a selling price affixed to them.

The Motor Dealer Licensing Branch comprises a registrar, one motor dealer inspector, one licencing clerk and three secretary stenographers who work in Victoria. In addition, two motor dealer inspectors work in Vancouver and one in Kelowna. The motor dealer inspectors travel throughout British Columbia to ensure dealer compliance with the act and regulations.

Staff process applications for registration, issue registration to successful applicants and issue yearly renewal registration to motor dealers. They also collect registration fees, maintain files and records of security posted by motor dealers and ensure that security is kept current. In addition to the licencing duties outlined, staff also conduct inspections of the premises of motor dealers, their records and motor vehicles offered for sale. Consumer complaints of alleged violations of the act are investigated and prosecutions are recommended where applicable. Staff also identify and investigate individuals who are carrying on the business of a motor dealer without registration and prosecute where appropriate.

The registrar conducts hearings when it is considered necessary to suspend or cancel a motor dealer's registration, or to refuse registration of a new applicant. The registrar also meets with motor dealer associations throughout the province, from time to time, to discuss industry problems and possible legislation changes.

A statistical review of the branch's activities during the reporting year, with comparative statistics for previous reporting years, is provided in the appendix to this report. Expenditures by the branch during the reporting year totalled $341,753.

Trade Liaison

Trade Liaison maintains a continuing communications link with the business community to inform it of Ministry policies and legislation. Trade Liaison also monitors advertisements and business practices within the marketplace to ensure compliance with statutory requirements. In addition, it receives consumer complaints, identifies problem areas and brings them to the attention of the affected business, business sector and other areas of the Ministry where investigation or enforcement may be required.

It also responds to requests from businesses for guidelines, seminars and telephone advice on business practices affected by Ministry legislation.

During the reporting year, Trade Liaison participated in more than 125 business meetings and consultations and contributed to raising businesses' awareness of Ministry legislation by responding to more than 650 written requests for information or clarification of Ministry policies.

The budget for Trade Liaison was part of that for the Executive of Consumer and Tenancy Relations. Expenditures by program area are provided in the appendix.

Registrar of Cemeteries

The Registrar of Cemeteries is responsible for administering the Cemetery Act, the Cemetery (Municipal) Act, the Cemetery (Company) Act, the Cremation Act and the Funeral Plan Act.

Regulatory supervision of this industry dates back to the 1950's when a number of fraudulent operators entered the funeral and cemetery industries across Canada. Legislation was enacted to protect consumers from unscrupulous operators in both industries.

The Public Utilities Commission was responsible for regulation until 1973 when regulatory jurisdiction was turned over to the then Minister of Health Services and Hospital Insurance. Responsibility was transferred to the then Minister of Consumer Services in 1974.

Funeral homes are not regulated provincially except for the sale of pre-paid funeral plans, which are arrangements by which consumers pay for funeral services in advance. Funeral homes are, however, subject to general consumer legislation such as the Trade Practice Act and Consumer Protection Act.

The Cemetery Act gives the Minister of Consumer and Corporate Affairs general jurisdiction over all cemeteries, columbaria and crematoria in the province. The Minister may also make regulations governing these services, subject to the approval of the Lieutenant-Governor in Council.

Specifically, the Minister may make regulations:

- respecting the burial, disinterment, removal and disposal of the bodies or other remains of deceased persons;
- respecting the plans, survey, arrangement, condition, care, sale and conveyancing of lots, plots and other grounds and property of cemeteries and columbaria;
- establishing minimum requirements for the upkeep, condition and care of lots, plots or other grounds or property of cemeteries and columbaria;
- respecting the erection, arrangement and removal of tombs, vaults, monuments, gravestones, markers, copings, fences, hedges, shrubs, plants and trees in cemeteries;
- respecting charges for the sale and care of lots and plots and for authorizations and services incidental to the use of lots and plots and charges for cremation;
- respecting the collection, amounts to be collected and investment of funds for perpetual care and maintenance of cemeteries and columbaria;
- requiring the filing or registration of plans of cemeteries, columbaria and crematoria, prescribing the contents and details of such plans and requiring that burials, entombments, storage of cremated remains and cremations be made in accordance with such plans;
- respecting the administration, use, control and disposition of cemeteries in which no further burials are to be made and respecting the administration

and use of the income from care funds established with respect thereto, and respecting the exhumation, disinterment and reinterment of remains; and,

- o exempting a grave or graves from any provision of the Act or the regulations.

The Cemetery Act also provides for establishment of two kinds of cemetery organization: undenominational cemeteries held by trustees and provincial cemeteries in districts managed by boards appointed by the Lieutenant Governor in Council.

The current cemetery legislation is explicit in determining how a new cemetery, columbarium, mausoleum or crematorium may be established. While cemeteries, columbaria and mausolea are not licensed provincially, the owner must obtain a Certificate of Public Interest from the Minister, after meeting stringent requirements, before development commences. Development of a crematorium must also meet stringent requirements before the Minister issues a Certificate of Public Interest. Crematoria are licensed annually. A $50 licence fee is charged.

In 1984-85 there were 726 registered cemeteries in B.C.

Legislation requires that all cemeteries be maintained to an acceptable standard. All commercial and municipal cemeteries are further required to maintain a perpetual care fund, which represents 25 per cent of the price for the sale of all grave spaces in each of the cemeteries, along with a $10 minimum fee for each memorial marker installed.

These funds are regarded as trust money in the name of the operators. The principal cannot be touched without the permission of the Minister of Consumer and Corporate Affairs. Any monies earned from the principal may, however, be used for care and maintenance of the individual cemetery.

The act also regulates closings of cemeteries and their conversion to other uses, such as parks.

The following requirements are necessary to establish and operate a crematorium:

- o the plans and site must be approved by the Cemeteries Division;
- o the crematorium must be certified to be complete and built in accordance with such approval and certified to be properly equipped for the disposal of human remains;
- o a certificate must be granted by the Minister authorizing the crematorium to be used for burning human remains; and,
- o a licence must be obtained, by the payment of a licence fee to the Minister of Finance.

The Minister may suspend or cancel any licence for causes satisfactory to him.

As noted above, crematoria are also subject to regulation in certain respects under the Cemeteries Act. The Minister must certify, before a crematorium can be established or enlarged, that such establishment or enlargement is in the public interest. The Minister is given

jurisdiction over crematoria and (with the approval of the Lieutenant-Governor in Council) may make regulations (notwithstanding the provisions of the Cremation Act):

- with respect to charges for cremation; and
- requiring the filing or registration of plans of crematoria and requiring that burials, storage of cremated remains and cremations be made in accordance with such plans.

Regulations may also be made regarding the "burial, disinterment, removal and disposal of the bodies or other remains of deceased persons" generally. All municipal and commercial cemeteries, columbaria and mausolea must have care funds.

Many smaller cemeteries in the province are on private land and are maintained by boards of trustees appointed under authority of the Cemetery Act. There are also many cemeteries on Crown Land. Some are abandoned and others are operated by cemetery boards which are appointed under the Cemetery Act.

On March 1, 1982, the Registrar of Cemeteries assumed responsibility for the Funeral Plan Act. At that time, a number of operators selling pre-paid funerals were not registered with the Ministry as required by the legislation and a number of operators who were authorized to sell pre-paid funerals had not been audited for a number of years. This situation was immediately rectified and all sellers of pre-paid plans in British Columbia now have approval of the Minister. In view of the potential abuse in this field, these plans are audited annually.

The Registrar of Cemeteries is assisted by two cemeteries officers and a secretary stenographer.

In order to perform inspections, including maintenance standards and approval of new burial areas of cemeteries, mausolea, columbaria and crematoria, as well as the many audits of cemetery care funds and pre-paid funeral plans, division staff travelled some 22,000 kilometers by auto and 2,000 kilometers by air during the reporting year to various points throughout British Columbia. During their travels, cemeteries officers also try to encourage active management of the many old abandoned cemeteries in the province.

Reports and statistics are maintained on each registered cemetery as well as the listing of all funeral homes. Annual reports are also filed with the division each year from all publicly operated cemeteries. Financial statements are required from all commercial and municipal cemeteries, as well as those funeral homes that sell pre-paid funeral plans. These documents are monitored for correctness, as well as discrepancies in land development, contributions to trust funds and poor operational management. Where problems arise, the division attempts to rectify the situation. All consumer complaints dealing with both the funeral and cemetery industry are also investigated by the division.

The division maintains regular contact with the B.C. Funeral

Service Association, the Cemetery Association of British Columbia, a number of consumer groups regarding concerns in the two industries, as well as financial institutions with respect to legislative requirements or trust monies required of the cemetery and funeral industries.

Corporate, Central and Mobile Home Registry

The Corporate, Central and Mobile Home Registry administers three programs.

The Corporate Registry is responsible for administration of all matters respecting corporations, societies and partnerships. It forms, incorporates and registers companies and files all documents pertaining to them.

The Central Registry files all liens against personal property.

The Mobile Home Registry maintains a complete file of each mobile home registered in the province and monitors their financing, ownership and movement. Taken together, the Corporate, Central and Mobile Home Registry is responsible for the following legislation:

Company Act
Society Act
Partnership Act
Chattel Mortgage Act
Book Accounts Assignment Act
Sale of Goods on Condition Act
Repairers Lien Act
Mobile Home Act
Company Clauses Act
Trust Company Act
Co-operative Association Act
Library Associations Act
Savings and Loan Associations Act
Cemetery Companies Act
358 Private Act Companies

Most businesses are incorporated, registered as corporations or formed as partnerships or proprietorships.

An individual who wishes to conduct business in British Columbia, or with the province's trading partners, may choose from among three alternatives.

Sole Proprietorship

This is the simplest form of business organization. It is suitable for a single individual who intends to carry on a business with the aid of employees. It is not suitable if others expect to participate in ownership.

Partnership

If two or more individuals or corporations decide to go into business together, they may choose a partnership. Forming a partnership may be the preferred alternative if the individual or corporation does not wish to incorporate. Partnership is a less complex business organization and is inexpensive. In some instances, a partnership may also provide tax advantages. The major disadvantage some see in a partnership is the liabilities it imposes upon the partners. Partnership is generally only suitable for a relatively small number of people who have substantial trust and confidence in one another. Members of the public interested in investigating a partnership can access names and addresses through the Corporate Registry.

Corporation

The corporation is the most favoured method of doing business because it affords continuity of existence, limited liability of shareholders and the ability to

have many shareholders participate in ownership. Other merits are the ability to raise capital for enterprises, tax advantages and a separate existence which allows flexibility in business and industry. Another is the protection of the corporate name. The public may search corporate files to learn:

- name of corporation;
- date of incorporation or registration;
- date of last annual report;
- registered and records offices or head office and attorneys for extraprovincial companies;
- current directors and officers;
- name changes;
- dates of dissolution, amalgamation and continuation; and,
- whether encumbrances, liquidation or receivership documents have been filed.

Corporate Registry

Historical requirements for operation of Corporate Registry date back to the law of England as it existed on November 19, 1858 which was introduced by proclamation to the Colony of British Columbia in that year. A series of ordinances and enactments in 1866, 1869, 1878 and 1890 continued the laws of England until 1897, when the various systems of incorporation were brought together in one Companies Act. This Act continued until 1910. The Companies Act was a part of R.S.B.C. 1921. Yearly amendments continued through to the present Company Act and were included in the Revised Statutes of B.C. 1979 and amending acts.

The Corporate Registry creates and regulates companies, partnerships or corporations to carry on business. Objectives are to simplify dealings in a corporate world unhampered by adherence to unnecessary regulation. This can also have the effect of increasing the flow of capital into the province because of certainty and confidence in an efficient, up-to-date, Corporate Registry.

British Columbia corporations can not conclude a financial closing anywhere, without having a final search conducted immediately prior to payment. Multi-million dollar closings are a daily occurrence. The total of encumbrances filed on an average day exceed $70,000,000 in the Corporate Registry and $20,000,000 in Central Registry.

Specifically, Corporate Registry staff:

- o administer all matters relating to the filing of corporate documents under the Company Act and all related statutes; create and maintain complete corporate files on all British Columbia and extraprovincial companies, societies, co-operatives, trust companies, partnerships, library associations, private acts, railroad and tramway companies;

- o process filings of all reports and notices required;

- o file encumbrances and maintain an encumbrance register for all companies, trust companies, societies and cooperatives; and,

- o provide current information from all files to law enforcement agencies, government departments, legal and accounting professions, financial institutions and the public by

telex, telephone, rapifax, remote access, over-the-counter and written request.

During the reporting year, 14,065 British Columbia companies were incorporated; 255,296 documents were examined and filed; 233,005 searches were conducted; 67,642 encumbrances were examined and filed; 82,254 name searches were completed; and 6,940 new partnerships were registered.

The Central Registry

Personal property security interests were originally registered in the Central Registry in the Motor Vehicle Department, Ministry of Attorney General. The registry was moved to the then Department of Consumer Affairs in April 1978.

Central Registry staff:

- o examine and register all encumbrances against personal property filed pursuant to the Chattel Mortgage Act; Sale of Goods on Condition Act; Book Accounts Assignment Act and Repairers Lien Act; and,

- o provide information to financial institutions and the public on the above registered documents by telephone, counter, telex, rapifax, remote access and written response.

Encumbrances filed in an average day exceed $20,000,000.

During the reporting year, Central Registry conducted 315,005 searches and registered 363,408 documents.

Mobile Home Registry

The Mobile Home Registry is seven years old. It moved from the Ministry of Lands, Parks and Housing to the Ministry of Consumer and Corporate Affairs on April 1, 1983. At that time it was integrated with the Corporate and Central Registries.

Mobile Home Registry staff:

- o initially register all mobile homes and register all transfers of ownership, as well as all security interests and discharges and authorize issuance of transport permits.

19,094 searches were conducted, 10,780 transfers of ownership were issued and 19,383 copies of documents processed during the reporting year.

The Mobile Home Registry's main clients are manufacturers of mobile homes, dealers, consumers, financial institutions, owners and government agents.

Statistical Overview

From a statistical point of view, the operations of the combined registries are diverse.

There are approximately 200,000 active corporations which are required to file various documents. There are 55,000 active partnerships registered. During the reporting year, the number of corporate files searched totalled 233,000; there were 255,000 general filings and 207,000 pages of photocopying. There are 60,000 mobile homes registered and there were 19,000 searches at that registry. Corresponding figures for previous years can be found in the appendix.

All corporate or partnership entities are client groups of the registries. Law firms, financial

institutions, chartered accountants, notaries, law enforcement authorities, government agencies in and outside of B.C., paralegals, and regulatory bodies all have dealings with the registries.

Organizations which are incorporated under the Society Act and Co-operative Associations Act are also clients of the registry.

These organizations include hospitals, retail organizations and political parties as well as a range of professional, charitable, religious, hobby, social and service groups. There are 12,622 active societies registered in the province.

There is no type of business or organization which does not have a file in the registry. The above groups are either incorporated, licensed, registered and regulated pursuant to the requirements in the statutes affecting these groups.

Clients using the Corporate and Central Registry require accurate, timely data on the corporation or organization. The registry is dedicated to providing service to the public. Resources are allocated in order to effectively meet statutory mandates.

Initiatives during the reporting year include:

- o completion of specification and design stages for implementation of a new on-line computer system and letting of the contract for the design and development phase. Completion will assist in speeding up commercial lending practices.
- o introduction of a computer-generated turnaround annual report for the over 200,000 B.C. companies;
- o integration of personnel, administration and telephone operation of the Mobile Home Registry;
- o acquisition of a personal computer to prepare statistics, budget material and management reports;
- o passage of amendments to various acts to improve administrative office procedures and to keep current with business activity in the province; and,
- o commencement of a dissolution program to remove inactive corporations from the register resulting in removal of over 30,000 files.

Access to the data base continues to be promoted so all can take advantage of the registry data.

Flexibility of the computer system, increased efficiency of staff, cross-training of staff to serve as back-ups in other registries and computer training enable the registries to make quick internal changes to meet increasing or fluctuating needs.

Shorter turnaround period for filing and more timely and accurate information through telephone, rapifax and remote terminals increased client service.

In 1984-85, the Corporate, Central and Mobile Home Registry employed a total of 144 full-time equivalents, 93 allocated to the Corporate Registry, 32 to Central Registry and 19 to Mobile Home Registry.

Superintendent of Brokers, Insurance and Real Estate

All areas of the investment business -- stocks, bonds, commodities, investments -- are regulated with an eye to protecting the investor. The Superintendent of Brokers, Insurance and Real Estate also helps stimulate investment by working to maintain confidence in business and financial institutions. The superintendent receives his authority from the Securities Act, Mortgage Brokers Act, Insurance Act, Real Estate Act, Condominium Act, Investment Contract Act, Insurance (Marine) Act and the Commodity Contract Act.

Considerable expertise and access to vast amounts of information are required to regulate these areas.

Many companies face a turning point in their development and decide to "go public" or raise money by selling securities in their operation to the general public. By doing so, the company benefits by having others invest their money to help the company grow.

At the same time, members of the public who buy shares in the company are offered an opportunity for personal profit if the company is successful in its business ventures.

Because of the complexity of the securities business and because there is the possibility of abuse, the office of the superintendent plays a vital role in maintaining public confidence in the risk capital market.

The superintendent protects the public by enforcing adequate disclosure of securities transactions and regulates the securities industry by balancing the interests of vendors and purchasers of securities.

The office was originally located in Victoria and commenced separate operations in the 1950's. Initially staffed by five employees, it now employs over 82. In 1978, operations were transferred to Vancouver and the insurance and real estate sections, previously under the Superintendent of Insurance, were merged under the responsibility of the Superintendent of Brokers, Insurance and Real Estate.

Activities of the insurance, real estate and investigations and inspections sections will be described later in this report.

For the purposes of securities regulation, there are two types of companies: reporting and non-reporting. A non-reporting company is one that is privately owned. A reporting company is generally one that has sold shares to the public. A reporting company may also be listed on a stock exchange.

While both reporting and non-reporting companies have certain statutory reporting requirements, a reporting company's obligations are much more extensive and subject to greater scrutiny.

Companies wishing to go public must file a prospectus with the Superintendent of Brokers. Simply, a prospectus is a detailed document describing a company, its holdings, its capitalization, its plans for the

future, how it plans to use proceeds from the offering of shares and other such matters.

The prospectus must take into account the various laws, policies and notices of the superintendent and meet the test of full, true and plain disclosure.

The prospectus and supporting documentation including applicable fees (usually $300) are then filed with the superintendent for examination. The superintendent's staff will send a letter detailing any deficiencies in the prospectus. Assuming these deficiencies and others which may arise are resolved, and provided the prospectus meets the test of full, true and plain disclosure and is otherwise acceptable, the office will issue a receipt for it.

Once a receipt has been issued, the company attains reporting status and may proceed to sell its shares through authorized persons and in the quantities specified in the prospectus. Normally the seller is a brokerage house, but the company may also be qualified to sell through its directors and registered securities salesmen if the appropriate filings are made and accepted.

A reporting company's privilege to sell shares to the public also carries the statutory obligation to maintain an up-to-date and accurate portrait of the company on the public record.

This involves filings with the Registrar of Companies, the superintendent's office and, if the company becomes listed, with the stock exchanges on which it is listed.

Filings required include:

- o audited annual and unaudited interim financial statements (also to be sent to shareholders);
- o quarterly reports (quarterly reports are required only from "development" company listings on the Vancouver Stock Exchange and are required before acceptance of their prospectus);
- o insider reports;
- o information circulars and other material distributed to shareholders by a person or company in connection with a meeting of shareholders;
- o takeover bid materials; and,
- o reports of material changes in the affairs of the company.

Once a prospectus receipt has been issued and the minimum number of shares authorized by the prospectus has been sold, the company may apply for a listing with a stock exchange. In the case of the Vancouver Stock Exchange, procedures are now in place whereby a company can obtain a conditional listing on its first prospectus.

Both the superintendent's office and the stock exchange have certain requirements that an applicant must meet to receive a listing and to maintain the listing. Familiarity with the exchange's rules and bylaws and the superintendent's policies and applicable legislation is crucial.

The purpose of regulating the securities industry is to ensure that investors are given full,

true and plain disclosure of facts relating to offerings of securities to the public in British Columbia. Issuers are further required to give adequate disclosure of material, current happenings either favourable or unfavourable, by complying with statutory filing requirements and policy disclosure rules. Specific information about the content of prospectuses is available on request.

If companies or individuals contravene the law, the superintendent has power to prevent them from doing business, to freeze their assets in British Columbia and to lay charges under the Securities Act or Criminal Code.

The superintendent's involvement with the securities market includes dealings with investors, lawyers, accountants, self-regulating organizations such as the Vancouver Stock Exchange and the Pacific District of the Investment Dealers Association of Canada, administrators from other provinces and regulatory officials in the United States.

The Securities Act requires the registration of individuals and firms engaged in the sale of securities. An application is required to be submitted to the superintendent along with a prescribed fee of $100 for an individual and $400 for a firm. The superintendent is responsible for determining that registrants have sufficient education and experience and are of good character in deciding to accept or refuse an application. If accepted, a licence to trade in securities will be issued for a two-year period. It can, however, be revoked at any time by the superintendent for breach of registration conditions or for impropriety demonstrated by a client complaint.

A total of 1,700 registrations were processed during the reporting year. As at March 31, 1985, a total of 3,309 individuals and/or firms were registered with the superintendent to trade in securities.

The 1984-85 reporting year was a landmark in many areas of securities regulation. The superintendent introduced policies and notices designed to discourage unfair market manipulation. In the area of natural resource exploration and development, increasing emphasis was placed on the approach which first assesses whether the target property is sufficiently developed to merit public funding of further development. In these cases also, the usual full true and plain disclosure in the offering document still applies. Minimum price to be paid for shares distributed in the private or non-reporting company stage was increased. Also increased was the minimum total capital subscription in the non-reporting stage as well as the amount to be expended on exploration and development activity prior to going public.

Another highlight was establishment of a Mining Evaluation Committee to assist the superintendent in assessing properties which seek funding from a public offering.

For the year ended March 31, 1985, slightly over $13.5 billion of investment offerings were processed by the superintendent's office. These offerings included local and national prospectuses, Statements of Material Facts

through the Vancouver Stock Exchange, rights offerings to shareholders and private placements to sophisticated investors. In addition, the value of secondary trading through the Vancouver Stock Exchange was approximately $2 billion.

Policy respecting high technology companies and other industrial offerings was revised to require more detailed technical reports designed to highlight risks attendant with development of products, services and marketing projects which are the target of funding from public offerings.

Initiatives introduced in 1984-85 were expected to have a dramatic effect on the quantity and quality of securities offerings made in the local capital market by way of an initial prospectus. Requirements introduced by the Office of the Superintendent in 1985 to support new Vancouver Stock Exchange standards include upgrading requirements for private investments before a company goes public and limiting brokers' ownership at the seed capital stage.

Work continued on development of a new Securities Act for introduction in the Legislature. The act was being drafted to provide better protection for investors and a more efficient regulatory structure for raising capital in British Columbia.

Considerable work was also done on the Commodity Contract Amendment Act and regulations. It was introduced in the Legislature in February, 1985 and provides for registration of persons who deal with the public in commodity contract trading, an approval process for types of contracts used in those trades and adequate protection for investors in commodities markets.

The superintendent also administers the Mortgages Brokers Act, which controls, through registration, persons practicing in this field. The act also requires that every person lending money on a mortgage, to which the act applies, shall furnish to the borrower at or before the time the mortgage is signed a "disclosure statement". Among other things, it discloses the effective annual rate of interest to be paid by the borrower. A total of 254 registrations were processed under this act for the reporting year and a total of 566 persons were registered as at March 31, 1985. Revenue from registrations for this act amounted to $36,911.

Regulation of Insurance and Real Estate

A Superintendent of Insurance and Real Estate administers the Insurance, Real Estate and Condominium Acts.

Insurance and real estate are two distinct areas of regulatory responsibility, but with similar goals. Both require the licensing and regulation of agents, salesmen and their agency companies to protect consumers from unscrupulous real estate or insurance salesmen.

The Ministry's major regulatory goals are:

- to protect against unscrupulous business people using the insurance and real estate industries to defraud the public; and,

- to protect the public against losses caused by insolvency of licensed insurance companies, insurance agents and real estate agents.

During the reporting year, there were 4,129 life and 3,854 other-than-life insurance agents and salesmen and 8,469 real estate agents and salesmen licensed throughout the province. All insurance companies operating in the province must be licensed. There are 134 life companies and 218 other-than-life companies. Of these, 10 have head offices in British Columbia.

Accounts of all real estate agents are monitored annually, and all insurance companies are required to file financial reports with the Superintendent of Insurance. Insurance agents under contract with insurers are not inspected except where evidence of a problem exists.

Considerable time is spent annually investigating the complaints of the public. During the reporting year, 84 complaints against insurers and 145 complaints against insurance agents were investigated.

Complaints against real estate agents are referred to the British Columbia Real Estate Council. Any hearings resulting from the complaints are carried out by the council. Recommendations are then referred to the superintendent, who makes the final decision and imposes disciplinary action if necessary. All sentences can be appealed to the Commercial Appeals Commission. Of 33 hearings held, 11 decisions were appealed. Five appeals were successful.

Another important function of the superintendent is vetting of prospectuses filed by developers under the Real Estate Act and the Condominium Act. The prospectus states precisely what is included in the sale and what is not. A total of 327 prospectuses and 112 amendments to prospectuses were vetted during the reporting year.

Condominiums are governed by a special set of rules. Sellers have copies of rules and regulations which have been drafted by what is called a "strata corporation" elected by the resident owners.

Important amendments to the regulations under the Real Estate Act were passed during the reporting year to exempt developers from filing prospectuses in these circumstances.

Prospectuses are no longer required for:

- commercial properties unless they were commercial and residential;
- subdivisions situated within municipalities; and,
- five or more lots involved in a bulk sale.

The effect of these exemptions has been the reduction of the work load on staff and the removal of unnecessary regulation in specific instances.

A priority during the reporting year was finalization of legislation to transfer the licensing function of insurance and real estate agents to the Insurance Council of British Columbia and the B.C. Real Estate Council. The transfer took place February 4, 1985.

As well, before the end of the reporting year, legislation was introduced to establish a Real Estate Foundation in British Columbia. Under the Real Estate Act, agents are required to place in trust all money held for or received on behalf of a client. The legislation was intended to enable use of the interest earned on these accounts for projects and programs relating to real estate matters by a Real Estate Foundation.

Investigations and Inspections Section

This section is responsible for development and enforcement of a comprehensive investigation program for the Corporate and Financial Relations program of the Ministry.

This involves enforcing compliance with the acts and policies administered by: the Office of the Superintendent of Brokers, Insurance and Real Estate, Superintendent of Credit Unions, Co-operatives and Trust Companies; the Registrar of Companies; Registrar General; and Registrar of Mobile Homes. In addition, the section is responsible for the inspection and financial filings review program administered under the Insurance, Real Estate and Mortgage Brokers Acts and for providing investigational auditing services as required by the broader investigation function.

It also conducts investigations and makes decisions and recommendations regarding enforcement alternatives. A strong preventative, detection and enforcement program is delivered to ensure the protection of the investment community and the public.

Approximately 2,100 files investigated resulted in nine charges under the Criminal Code and three charges under the Securities Act.

The acts under which investigations are conducted carry strong enforcement and inspection powers such as: the freezing of accounts and assets, the appointment of receivers, suspension or cancellation of licences and the use of search warrants for the seizure of evidence. The decisions and/or recommendations of the branch can have punitive financial implications for individuals and corporations such as: refusing equity financing, freezing of property and monies, the loss of professional status in the various professional bodies, licence suspensions or complete cancellations and the incarceration of individuals engaged in criminal activities.

The section liaises and works in conjunction with senior officials of local, provincial, national and international regulatory bodies such as the R.C.M.P. Commercial Crime Division, Vancouver and Toronto Stock Exchanges, Real Estate Councils, U.S. Securities Exchange Commission, Superintendent of Commodities Hong Kong and Lloyds of London. These contacts are vital for information and assist in the early identification of potential criminal violations.

It is essential that close liaison with law enforcement agencies be maintained and investigative techniques constantly updated. For example, the section accesses advanced computerized intelligence networks and keeps in touch with industry and business trends, particularly in such areas as

insurance and securities. All are essential to enable the section to identify, and where possible to prevent, abuses of the regulatory system.

By analyzing the nature and frequency of violations, the section identifies patterns, trends and potential problem areas and makes recommendations on legislative amendments and policy changes.

The inspection side of the section is responsible for the on-going inspection/audit program under the insurance and real estate acts. This includes examining large life, general, mutual and accident and sickness insurance companies for compliance with the acts and regulations and for financial stability with respect to company obligations to policy holders. The program is carried out with insurance agencies and mortgage broker companies. Financial statements are also reviewed under the Insurance, Real Estate and Mortgage Brokers Acts and recommendations are made to the appropriate superintendent and registrar regarding licensing. Audits of other corporate programs can be conducted on request.

Full-time equivalents of the Office of the Superintendent of Brokers, Insurance and Real Estate, which included the Corporate Investigations Section, totalled 82 in the reporting year. Expenditures were $3,576,421. The appendix provides further statistical data on these program areas.

Superintendent of Credit Unions, Co-operatives and Trust Companies

The Office of the Superintendent of Credit Unions, Co-operatives and Trust Companies is responsible for incorporating, regulating and examining credit unions, registering co-operatives, and regulating and inspecting all trust companies in British Columbia.

It does so under legislative authority of the Credit Union Act and regulations, the Trust Company Act and the Cooperative Association Act.

The primary goals of the program are the protection of the public's savings and deposits. This goal is balanced with the need to encourage, facilitate and maintain confidence in financial institution operations.

Credit Unions

The Credit Union Act sets out provisions to govern the establishment and operation of credit unions in British Columbia.

Credit unions are financial co-operatives which enable a group of people to join together for their mutual financial advantage.

The members, governed by their own set of rules, are required to buy qualifying shares. By making deposits they provide funds which may be loaned to other members.

The act outlines purposes of credit unions as follows:

- to raise money by subscription and deposits from the members and by other means permitted by the act;
- to make loans and investments permitted by the act;
- to provide housing for use in whole or in part by members;
- to provide safekeeping facilities and services for personal property;
- to provide services for the collection and payment of money from and on behalf of its members;
- to maintain, cause to be maintained, or to participate in programs of life insurance, disability insurance, accidental death insurance, sickness and accident insurance, or any combination of them, with respect to money invested in, on deposit with, or lent by a credit union;
- to provide or arrange for annuities, savings plans, mutual funds and similar arrangements for provident and productive purposes for its members and in that connection, to receive periodic payments or contributions;
- to issue investment contracts to its members providing for the payments to or to the credit of the holder of the contract of a fixed or determinable amount at maturity and to receive periodic payments or contributions under the contracts;
- to act as trustee for its members, public bodies, the provincial government, federal government and the Crown in any other right and other persons or classes of persons as the regulations designate in

respect of annuities, plans, funds, contracts or other arrangements;

- o to provide programs and services for its members as in the opinion of the directors may assist the members to meet their financial or social needs;

- o to act as agent for its members, other credit unions, public bodies, the provincial or federal government; and,

- o to provide other services and perform other functions as are permitted by the act.

Over 200 legislative provisions in the act and regulations define how credit unions are to be operated, outline the rights and responsibilities of credit union members, directors, officers and auditors and spell out the relationship of credit unions to the Office of the Superintendent and the B.C. Central Credit Union.

From a regulatory perspective, the Superintendent of Credit Unions is responsible for chartering credit unions, and in particular, for the system of inspection of credit unions. The superintendent may initiate investigations and/or hearings and is responsible for ensuring any necessary disciplinary or rehabilitative action is taken.

In performing this role, the superintendent can affect overall economic conditions of the province and public confidence in credit unions. The superintendent is responsible for formulation and implementation of policies, procedures, goals and action plans in setting the overall direction of credit union regulation of British Columbia.

During the reporting year, the number of credit unions was 137, with one new incorporation and one amalgamation. Total credit union assets as of March 31, 1985 were $6.1 billion, an increase of 5.2 per cent over 1984.

Retained earnings at the end of the reporting period amounted to $150.8 million and liquidity reserves averaged 14.42 per cent.

Inspectors with the superintendent's office review the books and financial records of each credit union to ensure compliance with the act and to assess whether they are operating in a prudent manner to safeguard the interest of members. Where the superintendent is not satisfied that a credit union is operating in a financially sound manner, he shall order it placed under the supervision of the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC). The CUDIC is a body created by the provincial government to safeguard deposits and non-equity investments of all credit union members in British Columbia. Its general powers include:

- o maintaining the Provincial Credit Union Guarantee Fund;

- o helping credit unions solve financial problems; and,

- o helping credit unions improve their financial operations.

All credit unions were inspected during the year either by inspectors from the office of the superintendent or by the Credit Union Deposit Insurance

Corporation of British Columbia. As of March 31, 1985, there were 18 credit unions under supervision.

Assets of the Provincial Credit Union Guarantee Fund, which guarantees all deposits and non-equity shares of credit union members, is in excess of $70 million.

British Columbia has four of the largest credit unions in Canada, excluding Quebec. These include Van City Savings Credit Union with assets of $1,362,105,000 as at March 31, 1985; Surrey Credit Union with assets of $472,489,000, Westcoast Savings Credit Union with assets of $431,570,000 and Richmond Savings Credit Union with assets of $365,217,000.

The total assets of the credit union system in British Columbia represent approximately one-third of the assets Canada-wide (excluding the Caisse Populaires system of credit unions in Quebec).

Co-operatives

The superintendent is also responsible for incorporating co-operatives under the Cooperative Association Act.

There were just over 600 co-operatives operating in British Columbia during the reporting year.

A co-operative is an association of people who own an enterprise to provide themselves with a service. The control of the association rests equally with all members and its gains are distributed to the members in proportion to the use they make of its services.

Co-operatives consist of people who have combined their efforts and available resources to provide for themselves the best possible services at the lowest possible cost.

Subject to the approval of the Superintendent, any five or more persons may join together to form a co-operative.

The philosophy is that people are the decisive factor in a co-operative enterprise. The people, or members, build it, own it, operate it and, therefore, benefit from its activities.

Co-operatives can be formed to meet almost any need. Major categories are as follows:

Housing:

Co-operatives build and own projects which may range from single family dwellings to apartments or townhouses.

There were 250 housing co-ops in British Columbia during the reporting year.

Service:

The objective of a service co-operative is to improve the quality, price or availability of a service required by a member. Services supplied by co-operatives include transportation, radio and cable television.

Fifty-eight service co-operatives were working in the province during the reporting year.

Consumer:

Members of a co-operative own the assets. When members "buy" from the co-operative, they take personal ownership of inventory which they previously co-operatively owned as members. Consumer co-operatives in British Columbia purchase goods mainly from co-operative wholesalers.

There were 136 consumer co-operatives in British Columbia in 1984-85.

Producer:

Co-operatives which operate businesses for the processing and marketing of goods produced or harvested by their members are known as producer co-operatives. Examples include a fish processing and marketing co-operative or a dairy co-operative.

Seventy-seven such co-operatives operated in B.C. during the reporting year.

Workers:

A new category of workers co-operatives is developing. These co-operatives enable members to create their own jobs by acting in the dual role of owner and employee.

There were 25 workers co-operatives in British Columbia in 1984-85. Four service co-operatives, 14 producer co-operatives and two consumer co-operatives were reclassified as workers co-operatives.

A more detailed breakdown of co-operative by type is provided in the appendix.

The organizational structure of a co-operative is defined in the act to recognize members ownership of the enterprise. By exercising democratic rights that the structure permits, members exercise control over the co-operative.

The members elect a board of directors responsible for general operations and policy administration. The directors may choose to hire a manager, who in turn may hire staff to operate the co-operative.

Any business enterprise needs capital. Start-up capital for co-operatives is traditionally supplied by membership because, as a requirement for membership, patrons must buy shares.

A member may hold any number of shares in the association. If the capital raised by way of issuing shares is not sufficient, loans or grants may be available. Government agencies are another possible source of assistance. Credit unions may also be willing to provide loans since they too are co-operatives.

In Canada it is necessary to incorporate in the province where the co-operative's head office is located. Incorporations are approved by the superintendent, who processes all applications for new co-operative associations.

When the name of the co-operative has been approved and the incorporation documents have been processed, a certificate is sent confirming incorporation. Once incorporated, an annual report must be filed. It must include the list of directors and officers, financial statements

and other vital information pertaining to the co-operative.

The duties of the superintendent with respect to co-operatives are as follows:

- to examine the memorandum and rules of all proposed associations desiring incorporation;
- to inquire into all the conditions under which any proposed association will operate;
- to confer with and advise the promoters of any association as to the formation and organization of the association and to approve or refuse any memorandum and rules for registration, having regard to the result of the inquiries made; and,
- to exercise powers and duties to facilitate carrying on of enterprises as to organization, operation and administration on a co-operative basis, at the same time protecting the public interest.

During the reporting year, 52 new co-operatives were incorporated including 32 housing co-operatives, five consumer co-operatives, three producer co-operatives, four service co-operatives, five workers co-operatives and one of a general nature. Two extra-provincial registrations were approved by the superintendent.

One housing co-operative, two service co-operatives, one of a general nature and one extra-provincial co-operative agreed to dissolve in 1984-85. Co-operatives may dissolve on their own initiative or may be required to disband by the superintendent if the number of members in the co-operative falls below five or the annual reports and filings required by the superintendent and the Registrar of Companies are more than two years in arrears.

In addition, one producer co-operative was restored providing a net gain for the year of 48 co-operatives.

Staff in the superintendent's office take an active part in trying to solve problems brought on by a lack of understanding of the co-operative philosophy. Many members of various boards of co-operatives often find themselves in disputes arising out of a lack of education in co-operative methods and principles.

Housing co-operatives, because of their special nature and the role they play in the lives of the members, give rise to numerous complaints centering around disputes over maintenance, refunds of shares and actions by boards. Staff were able to assist in most cases to the mutual satisfaction of the parties.

Trust Companies

Trust companies, like other financial institutions, are in business to provide financial services to clients.

The traditional domain of trust companies is the provision of trustee, real estate and financial intermediary services. As such, trust companies manage assets for individuals and for corporations.

Trust companies accept deposits from the public and invest

proceeds in mortgages, securities and other loans.

In British Columbia, and in other provinces, trust companies are closely regulated. Because they accept deposits from the public, they are subject to restrictions on borrowing and lending powers as well as on the types of investments which can be made.

As of the end of the reporting year, there were 121 trust company branches in operation in British Columbia, four more than during the previous reporting year.

The Trust Company Act states:

- o requirements must be met by the company before registration is granted. The Superintendent must be satisfied that:
  - it is expedient and for the convenience and advantage of the public;
  - it is solvent and able to meet its obligations;
  - the company has a subscribed capital of at least $1,000,000 on which there has been actually paid up and is unimpaired at least $100,000 with $10,000 in addition for each office, branch or agency operated or proposed to be operated by the company;
  - the company and its directors and managers have the qualifications necessary to perform the duties of a trust company, so as to command the confidence of the public;
  - the company has published its intent to apply for registration and shall state the proposed location of the registered or head office of the company; and,
  - if it is going to accept public money on deposit, the company has obtained a policy of deposit insurance.
- o annual reports detailing administrative and financial information on the status of the trust company must be filed;
- o a deposit of not less than $25,000 and not more than $200,000 must be held by the Minister as security for its depositors and creditors;
- o a trust company must properly manage and invest trust funds, money received on deposit with the company and investments;
- o a trust company must keep records of investment and file annual reports including categories of information which must be included; and,
- o reports must be made to the Attorney General and the Minister where the superintendent believes the company has obtained registration fraudulently, has violated the law or is conducting business in an unsafe or unauthorized manner that is not in the public interest.

Twenty-four main offices and 40 branch offices of trust companies were inspected during the reporting year.

Assets under administration by trust companies in British Columbia totalled $9.6 billion in estate, trust and agency funds, an increase of 22.7 per cent over the previous year.

Demand deposits from the public totalled $689.4 million, an increase of 2 per cent over the previous reporting year.

Guaranteed investment certificates and term deposits amounted to $2.3 billion, which represents an increase of 11.8 per cent over the previous year.

Demand and term deposits in total amounted to $3.0 billion.

General Administration

In exercising regulatory responsibility, the Superintendent of Credit Unions, Co-operatives and Trust Companies acts as a visible link between government and the regulated financial institutions. He actively communicates with chief financial officers and industry organizations, balancing the institution's interests against those of the general public and stimulates discussion on issues of concern to the regulated industries, the government, consumer and interest groups.

The superintendent maintains close liaison with his counterparts across the country at the federal and provincial levels, as well as those in the United States.

In 1984-85, 23 full-time equivalents were employed in the superintendent's office, including a deputy superintendent, five support staff, eleven credit union inspectors, three trust company inspectors and one co-operative officer. There was one vacancy. Expenditures for the office were $923,471. Revenue collections amounted to approximately $622,000.

Additional statistical information can be found in the appendix.

Liquor Control and Licensing Branch

Under the authority of the Liquor Control and Licensing Act and regulations, the Liquor Control and Licensing Branch is responsible for:

- o issuing and transferring licences for the sale of liquor;
- o licensing breweries, distilleries and wineries, and their agents;
- o monitoring and controlling liquor advertising in the province;
- o inspecting licensed premises to ensure they comply with the law; and,
- o taking appropriate disciplinary action against licensees for contraventions of the Liquor Control and Licensing Act and regulations.

While a liquor licence gives the right to sell liquor in an establishment, there are obligations and legal responsibilities that go along with it.

Thus, the primary purpose of the licensing process is to maximize economic and social benefits to the community while minimizing the social cost associated with the public consumption of liquor. Within this context, the Liquor Control and Licensing Branch is responsible for:

- o monitoring regulated business and market-place transactions for compliance with legislation, regulations and public protection standards;
- o ensuring public protection and market integrity through fair and efficient licensing systems which allow marketplace entry for law-abiding, competent and financially sound applicants; and,
- o assisting and informing consumers, business operators and investors regarding their rights and responsibilies under the Liquor Control and Licensing Act and regulations.

In all its dealings, the branch works to promote a progressive and responsive customer service image. Its goal is to provide efficient and equitable service and to effectively manage available resources.

It is the branch's duty to ensure all licensees comply with the terms and conditions of their licences and operate their premises in a proper manner according to the law.

In particular, it is the General Manager of the Liquor Control and Licensing Branch who is granted authority to supervise operation of every licensed establishment in British Columbia. The general manager can thus issue a warning or cancel or suspend licences for:

- o the licensee's failure to comply with the requirements of the act or regulations;
- o conviction of the licensee of an offence under municipal, provincial or federal laws, where the offence relates to the licensed establishment or the conduct of it;

- persistent failure to keep the licensed establishment in a clean and orderly fashion;

- the existence of a circumstance under Section 16, which would prevent the issue of a licence. For example, a licence may not be issued, renewed or transferred to a person who, in the general manager's opinion, is not a fit and proper person; or to a person who is not the owner of the business carried on at the establishment; or if the issuance of a licence would be contrary to the public interest; and,

- suspension or cancellation of a licence, permit or certificate necessary for the operation of the licensed establishment by a municipal, regional or provincial authority.

Seven categories of licences are available.

A Licences:

Hotels, resorts, clubs, recreational centres, aircraft, trains, motor vessels, airports, municipally and provincially owned cultural centres, universities, military messes.

B Licences:

Dining establishments primarily engaged in the service of food.

C Licences:

Cabarets primarily engaged in providing entertainment.

D Licences:

Neighbourhood Public Houses.

E Licences:

Sports stadiums or concert halls.

F Licences:

Establishments oriented to marine activities (Marine Public Houses).

G Licences:

Establishments operating within a world fair or exposition.

Interest in licensing continued to be strong during the year. A total of 488 licences were issued.

Overall, there was a 16 per cent increase in the number of licences which were issued from those which were issued during the previous reporting year. There were no major changes in licensing rules during the year.

A person may appeal to the Minister by notice in writing sent by registered mail within 30 days after the date of the refusal. The Minister, in his discretion, shall decide the appeal and his decision is final.

An appeal does not go before the Minister until the applicant exercises his option of a full hearing before the General Manager. The General Manager will review the application and should he refuse it, the applicant may then take further appeal to the Minister.

In practice, the Deputy Minister has been delegated responsibility to handle appeals on the Minister's behalf.

A commercial winery, Okanagan Vineyards, was established just north of Oliver and a new estate winery, Keremeos Vineyards, was established in Keremeos.

Three new brew-pubs and two cottage breweries were licensed during the year. Two of the brew-pub licences went to neighbourhood public houses: Spinnaker's in Victoria and the Leeward Inn near Comox. The third went to the Terminal Hotel in Nanaimo. One cottage brewery, The Granville Island Brewing Company, is located on Granville Island. The Island Pacific Brewing Company is located in Central Saanich.

The branch has received many enquiries about licensing small breweries and small wineries, but very few formal applications have been received.

Police throughout British Columbia assist the branch in enforcing liquor laws by conducting regular walk-throughs of licensed establishments.

In general, a licensee would face disciplinary proceedings when there is a lack of control in the establishment, when licence conditions have been breached or when there has been a breach of the act, regulations or rules followed by the branch.

Some of the common situations which result in disciplinary proceedings are service to minors, service after hours, over-service of patrons, serving liquor without food in restaurants and problems associated with entertainment (usually that which causes or contributes to lack of control in the establishment).

The police walk-through program is aimed at preventing criminal or disorderly activity by providing a highly visible police presence. The police bring infractions to the attention of the branch and ultimately submit a report to the branch. Reports are also submitted on problem-free establishments.

The volume of reports filed with the branch by the police continued at a high level and prompt action was taken by the enforcement division in appropriate circumstances.

Liquor inspectors employed by the branch liaise with police and other government agencies in their geographic areas to assist with enforcement. They also observe and investigate licensed establishments. Reports are filed with the branch.

Another source of information which aids enforcement is complaints from the public. Every effort is taken to investigate these complaints as well as those brought to the branch's attention by municipal governments or other regulatory authorities.

Every report received is thoroughly reviewed. Further investigation, a hearing and warning letters are all enforcement tools employed by the branch.

Tables which illustrate disciplinary action taken in the reporting year are included in the appendix to this report.

<u>Change in Enforcement Policy</u>

Although the number of "problem" licensees is small in comparison to the total, it has been

necessary to adopt stronger measures in the event of persistent or flagrant breaches of the law.

The branch has, for many years, carried out its enforcement activities in the firm belief that relatively short suspensions are sufficient to both punish the offender and act as a deterrent to others. In the present environment, that approach may no longer be satisfactory. While each case must be judged on its own merits, all licensees are on notice that the branch will not hesitate to impose lengthy suspensions or even cancellations in appropriate cases.

Where a suspension of the liquor licence is deemed to be necessary, one consideration will be the day of the week when the infraction occurred. If the infraction occurred on a Friday, the suspension will in all probability be on a Friday. This is particularly so in dealing with overcrowding infractions.

Many municipalities are now taking action against licensed establishments by exercising powers under business licence by-laws. This results in an immediate review of the establishment's liquor licence and although the business licence may be reinstated, the liquor licence may not automatically be restored.

Any enforcement action taken by the branch can be appealed. During the reporting year, 12 enforcement decisions were appealed to the Commercial Appeals Commission. Six appeals were abandoned, four appeals were dismissed, one appeal was denied with the provision that the suspension be shortened and one appeal was upheld.

An Order-in-Council was enacted on February 13, 1985, to provide for a type of licence which will be issued to establishments operating on the site of Expo 86. To encourage flexibility in the application of liquor laws to this unique event, the general manager may design specific conditions for "G" licences available only for establishments at the World's Fair.

The basic proposition is that any proposed establishment which has the approval of appropriate Expo 86 officials will be licensed by the branch.

The licences will apply only during the term of Expo 86.

The majority of licensees continue to ensure their licensed premises are operated in accordance with the Liquor Control and Licensing Act and regulations. The various hospitality associations have assisted the branch immeasurably with their co-operation and participation during meetings between the branch, police and other regulatory agencies. The municipal police departments and the R.C.M.P. throughout the province have continued to support the walk-through program.

The Liquor Distribution Branch always works closely with the Liquor Control and Licensing Branch in the issuance of special occasion licences and in identifying liquor infractions.

In 1984-85, the Liquor Control and Licensing Branch employed 50 full-time equivalents with actual expenditures of $1,923,267.

Three deputy general managers serve under a general manager. One is responsible for policy, research and administration, one is responsible for licensing and the other for enforcement.

There are 23 inspectors located in a number of areas to service the province. The areas served are Greater Vancouver, Vancouver Island and regional districts which are covered from Prince George, Fort St. John, Terrace, Kamloops, Kelowna, Penticton and Creston.

Remaining branch staff support operations by serving records management, licensing administration, data co-ordination and clerical functions.

LIQUOR DISTRIBUTION

Liquor Distribution Branch

The Liquor Distribution Branch's mandate is to purchase, distribute and merchandise beverage alcohol products in British Columbia in accordance with the Liquor Distribution Act.

The government has been responsible for the physical distribution of liquor (wine, spirits and beer) for more than 50 years in British Columbia. Providing equitable service to all residents, the Liquor Distribution Branch sells alcoholic beverages at the same price to everybody in the province, through 216 government liquor stores and 95 agency stores in remote areas.

The branch has four major objectives:

- o to provide levels of service which satisfy the needs of customers;
- o to optimize branch profit acknowledging the requirement to generate revenues budgeted by government;
- o to provide suppliers with a controlled access to the marketplace on a fair and equitable basis; and,
- o to present a progressive, responsive and responsible image to the general public, suppliers, government and employees.

The Liquor Distribution Branch is solely responsible for the selection, purchase, pricing and distribution of all alcoholic beverages (wine, spirits and beer) throughout the province, through a retail store system which includes government liquor stores, licensee retail stores and wine stores. The branch handles duty-paid and in-bond products and bottles its own line of private label products. All financial returns from retail liquor sales and licensee assessments are controlled by the branch.

Approximately 1,800 products are offered for sale by the branch, including a line of private label products bottled from bulk purchases. Product selection is based on consumer demand, quality and good value.

During the reporting year, overall consumption increased slightly in terms of litres of sales. Consumption in British Columbia declined to 25,855,000 litres from 26,207,000 litres the previous reporting year (of absolute alcohol). Consumer preference for products with lower alcohol content is, however, seen in the continuing decline of the spirits market, the growth of the wine and cider markets as well as a slight growth in the beer market. Coolers were also introduced to the market with significant growth and competition expected in 1985-86.

A modest program of retail store improvement, consistent with the provincial restraint program, included the replacement of aging facilities in Grand Forks and Sparwood. A new store was developed in a Chilliwack Mall replacing a facility in Vedder Crossing. The store in Ocean Falls was closed and a new store

opened in Bella Bella. The number of retail stores remained at 216.

A formal merchandising program was introduced during the reporting year. It focused on:

- staff training on the basic requirements of modern product presentation techniques;
- enabling suppliers to extend their advertising and marketing programs into stores through point of sale displays for the first time; and,
- development and announcement of an integrated branch marketing program called I.M.A.G.E.

During the year, 12 new rural agency store appointments were made by the Minister bringing the number of rural agency stores to 94.

New agency wine stores were opened in downtown Victoria and Vancouver by the Okanagan Valley Estate Wineries Association with two additional stores approved for opening in the next fiscal year.

Another first was the establishment of cottage brewery stores in conjunction with the Granville Island Brewing Company and the Island Pacific Brewing Company.

During the fiscal year, 6.68 million cases of spirits, wines, cider and import beer were distributed from the Vancouver Distribution Centre and 1.53 million cases from the Kamloops Distribution Centre. The combined total of 8.21 million cases is a decrease of 0.5 per cent from the previous year.

As at the end of the reporting year, the branch carried a total of 1,890 listings.

Specialty

Domestic	60
Imported	501
	561

General

	Domestic	Imported	Total
Spirits/ Liqueurs	310	119	429
Wines	390	399	789
Ciders/ Beers	85	26	111
Total	785	544	1,329

The branch was actively involved in purchasing from British Columbia manufacturers and suppliers. Some developmental assistance was also provided. Product areas included wine merchandising products, millwork products, paper bags, glass bottles, armoured car services and pallets and pallet repair.

Seven distribution department employees criminally conspired to defeat the internal controls and security procedures of the branch to steal liquor products from the Vancouver Distribution Centre. An intense investigation by branch security along with the Vancouver City Police and R.C.M.P. resulted in the arrest of the seven. None remain in the employ of the branch.

As is required under the Liquor Distribution Act, the branch is required to table its own annual report before the Legislature. Further details can be found in the 64th Annual Report of the Liquor Distribution Branch.

Corporate and Financial Services Commission and Commercial Appeals Commission

Both commissions are appellate tribunals established by statute to hear appeals from decisions made under certain sections of Ministry statutes.

The Corporate and Financial Services Commission can hear appeals under the Securities Act and Investment Contract Act.

The Commercial Appeals Commission hears appeals under the following statutes:

Company Act
Credit Reporting Act
Credit Union Act
Insurance Act
Liquor Control and Licensing Act
Liquor Distribution Act
Mortgage Brokers Act
Motor Dealer Act
Real Estate Act
Society Act
Travel Agents Act

These various acts prescribe the form and manner in which appeals can be launched with either commission.

During the reporting year, members of the commission included:

Kemp Edmonds, Chairman
Charles F. Long
Christopher E. Jukes
John Melville McEwen
Kenneth A. Morrison
Arthur M. Roberts
Kenneth G. Russell
Ross J. Ker
Joseph Thomas Hutton

Appeals brought to both Commissions totalled 49 under the following statutes during the year:

Company Act	2
Credit Union Act	4
Insurance Act	0
Liquor Control and Licensing Act	16
Liquor Distribution Act	1
Mortgage Brokers Act	0
Motor Dealers Act	1
Real Estate Act	17
Securities Act	8
Society Act	0

Auditor Certification Board

The board receives applications from and certifies accountants to be auditors of reporting companies.

Five members are appointed by the Lieutenant Governor in Council, including one from each of the professional accounting societies in British Columbia.

Members as of March 31, 1985 were:

B. F. Adams, C.G.A., Chairman
Gilbert C. Gray, C.A.
Rupert Bullock
Ken W. Mahon, F.C.A.
John F. Wray, R.I.A.

The board received three applications and one renewal for certification during the reporting year. The renewal and two of the applications were approved; one application was denied. One board meeting was held during the reporting year.

Policy, Legislation and Program Planning

The branch researches and analyzes options for policy development on behalf of the Ministry. If a change in policy results, the necessary legislation to implement the change is drafted and reviewed with Legislative Counsel of the Ministry of Attorney General. The branch also co-ordinates reviews of existing legislation and assists in setting legislative priority in the many areas of regulation under the Ministry's authority.

In addition, the branch reviews, appraises and comments on legislative proposals of the federal government which affect the consumer and corporate clients within British Columbia.

During the year under review, the following legislation was introduced:

Commodity Contracts Amendment Act:

- o requires registration of persons who deal with the public in commodity contract trading, sets out an approval process for the types of contracts used in those trades and ensures investors are protected by adequate safeguards when dealing in commodities markets.

The following legislation was passed:

Expo 86 Corporation Amendment Act

- o permits Expo 86 corporation to enter into contracts with liquor manufacturers for promotional rights and enables the Liquor Distribution Branch to supply products to establishments on-site without restriction.

Liquor Control and Licensing Act

- o amended regulations to allow a special liquor license for establishments at Expo 86 so the General Manager, Liquor Control and Licensing, may adapt licences to accommodate the unique nature of the World's Fair.

Residential Tenancy Act

- o created Residential Tenancy Branch to replace Office of the Rentalsman and instituted a system of shared jurisdiction over certain landlord-tenant disputes, including termination of tenancies, repairs and services, privacy and breaches of tenancy agreements. All claims of a monetary nature fall within jurisdiction of the courts.

Minor amendments were made to ten acts under the Ministry's jurisdiction.

A legislative review continued of the Securities Act, and reviews of possible legislative amendments were undertaken of the Cemeteries Act, Insurance Act, Mobile Home Act, Travel Agents Act and Trust Company Act.

Studies were begun on regulatory reform of financial institutions.

Responses to federal legislation were prepared in four specific cases. These include: the Bankruptcy Act, Combines Investigation Act, Patent Act (drug

pricing), tax rebate discounting and financial institutions generally.

The branch has also played a role in a comprehensive survey of British Columbians' attitudes to liquor policy. The survey and its analysis were not completed by the end of the reporting year. The branch also participated in successful transfer of the registration of real estate, insurance and securities industry participants to the respective industry governing bodies. In addition, legislation was passed authorizing establishment of British Columbia Real Estate Foundation, to be funded by interest payments on agents' general trust accounts, for research, education and professional development projects related to real estate.

Total branch full-time equivalents during the reporting year were 13. The branch operates offices in both Vancouver and Victoria.

Expenditures during the reporting year totalled $692,354 which includes expenditures for Information Systems Branch.

Information Systems Branch

An Information Systems Branch was established in the Ministry of Consumer and Corporate Affairs in 1984-85. The function of providing information systems support had previously been performed by Policy, Legislation and Program Planning. This reorganization provided for closer ties with B.C. Systems Corporation.

The Ministry made substantial progress in making the word processing and micro-computer equipment acquired the previous reporting year more productive. This was done both by the development of applications for offices and by training staff to use the equipment.

The existing computer system in the Office of the Superintendent of Brokers, Insurance and Real Estate was rewritten to accommodate the transfer of the licensing function to the appropriate self-regulatory organizations (the Vancouver Stock Exchange, Investment Dealers Association, Real Estate Council and Insurance Council). The new system was implemented successfully and is shared by the Ministry and these organizations.

Development of a new computer system for Central Registry was almost completed.

The new branch consisted of 2 full-time equivalents. Its budget was provided under Policy, Legislation and Program Planning Branch.

Legal Services

Legal services for the ministry are provided by the Ministry of the Attorney General.

Lawyers provide legal advice, interpretation and opinions primarily in matters arising from administration of ministry legislation. They also represent officials in hearings before the courts and administrative tribunals. In addition, they provide assistance and representation in the preparation, negotiation, settlement and execution of contracts and agreements as well as the drafting of legislation and legislative amendments to existing statutes.

Personnel Services

Personnel Services Branch is committed to ensuring the Ministry maintains a stable, productive work force within a safe, healthy working environment. The branch offers a complete range of personnel services, including: organizational design and review, classification analysis, labour relations, recruitment and selection, occupational health and safety, staff training and development, manpower planning and salary administration.

To achieve its goals, the branch has developed specific objectives as follows:

- o to provide the best qualified personnel in Ministry positions through appropriate staffing action;
- o to represent the Ministry in all labour relations matters and to provide labour relations advice and direction to Ministry personnel;
- o to provide technical support to programs respecting organizational structure, development and compensation;
- o to provide technical support, direction and advice to programs on implementation of classification and reclassification actions;
- o to perform classifications, audits and reviews;
- o to provide direction and advice to management representatives of safety committees, and to represent the Ministry in cases before the Occupational Health Screening Committee;
- o to provide direction and advice to programs concerning employee training, educational opportunities and subsidies; and,
- o to represent the Ministry on a wide variety of personnel matters with central agencies such as the Government Personnel Services Division and Treasury Board.

In 1984-85, Personnel Services employed a total of 12.25 full-time equivalents in the Victoria head office and in Vancouver. Expenditures totalled $454,241.

Every effort is made to provide a high level of service to all branches within the Ministry. Careful attention is also paid to complying with various collective agreements affecting unionized ministry employees. The Government Personnel Services Division of the Ministry of Provincial Secretary and Government Services works very closely with personnel staff in the Ministry. Government-wide personnel policies and directives are issued and administered within the Ministry by staff of Personnel Services Branch.

During the reporting year, a program of office automation began through use of expanded word processing equipment. Service to other branches improved through issuing of more timely reports and statistics.

Several chapters on personnel functions were prepared by the staff of Personnel Services for the Ministry's Finance and Administration Policy Manual.

As well, Personnel Services assisted in the completion of an internal reorganizaion of the

Ministry designed to enable more efficient administration of legislation.

A new Residential Tenancy Branch moved into the Consumer Affairs Program which was re-named Consumer and Tenancy Relations.

As well, the Corporate Affairs program was restructured into a new division, Financial and Corporate Relations. A further restructuring was being planned to recognize the increasing importance of financial institutions to the future of the province.

Computer training for personnel was an objective for 1984-85. A computer consultant was hired to provide in-house introductory computer training. Approximately 71 staff received hands-on experience with IBM personal computers. Another 70 benefited from software training on Lotus, Knowledgeman and IBM Displaywriter 2. Displaywriter training was also provided for 26 other staff.

Purchase of a television and video recorder allowed full utilization of recently purchased training tapes which were also shared with Vancouver offices.

Ministry employees also received training through internal and external courses. Approximately 29 employees were enrolled in Public Service Commission courses. Ten staff graduated from the five-day Government Financial Management and Control course provided by the Ministry of Finance. Another 119 attended 141 external courses sponsored by universities, colleges and other institutions.

Two separate sessions of "Taking Charge of Your Career", a program designed to encourage advancement of women in the public service, were offered. Twenty seven staff participated.

The numbers of full-time equivalents by Ministry program area can be found in the appendix.

Operational Review

Operational Review independently assesses Ministry programs to provide advice to senior management on the efficiency and economy of operations, as well as internal management practices and controls.

Operational Review also provides expertise to staff and program managers in developing management information systems, workload and performance measures. It also makes recommendations to increase productivity and to improve resource allocation within the Ministry.

Projects undertaken during 1984-85 included systems development, program evaluation, resource and workload analysis, organizational and procedural reviews.

Since the last reporting year, the nature of the work carried out by Operational Review has changed. It has advanced from providing assistance to Finance and Administration branches to include support for Consumer and Tenancy Relations, Corporate and Financial Relations and the Ministry generally. Additional management consulting tasks have also been added to the mandate of this branch.

Twenty three projects were undertaken during the reporting year. The breakdown is as follows:

Consumer and Tenancy Relations	5
Corporate and Financial Relations	7
Executive and Administration	5
Ministry	6
Total	23

If these projects had been undertaken by a consultant, it is estimated costs would have amounted to at least $160,000. Comparatively, branch expenditures for the same period equalled $138,000. Considerable cost savings and/or revenue potential in other areas of the Ministry were also identified as a result of projects undertaken by Operational Review.

The following projects were completed during 1984-85:

- o revision of Corporate Registry's records management system to achieve efficiencies and cost savings;
- o development of a Personnel Management Information System (PMIS) to respond to needs for timely information on Ministry employees and positions;
- o completion of a detailed review of the Registrar of Cemeteries audit and inspection procedures, as follow-up to an Office of the Comptroller General audit report;
- o completion of the Ministry policy and procedure manual;
- o development of a Consumer Investigations Information System for file tracking, and to provide management information on workload levels; and,
- o coordination of the Ministry's organizational review.

Although the branch had a staff complement of four full-time equivalents during the reporting year, the branch had a full complement for only one month, due to promotions and recruitment lags.

Information and Education Branch

This branch also works to support efforts of Ministry executive and program staff by providing public relations services and advice.

The primary objective is to develop, administer and evaluate Ministry communications, information, education and public relations activities to maintain awareness and understanding of the Ministry's legislation, regulations, policies, operations and services.

Other objectives include:

- o to develop and maintain media relations to ensure Ministry programs are presented fairly;
- o to initiate and prepare news releases, reports, brochures, audio-visuals and speeches to explain legislative requirements and Ministry policies; and,
- o to provide comprehensive distribution services (acts, regulations, brochures, news releases) for the Ministry.

The Public Affairs and Consumer Education Branch is also responsible for developing programs to support the compulsory consumer education course in conjunction with the Ministry of Education.

Consumer education, in the form of either C.E. 9/10 or C.E. 12, has been a compulsory graduation requirement in British Columbia since September, 1982.

A staff member of the branch serves as the main consumer education contact for the Ministry.

General objectives are:

- o to liaise with schools, district, Ministry and speciality teacher associations;
- o to deliver and promote general public education events in Ministry matters through participation in public speaking engagements and the provision of materials; and,
- o to educate individual members of the public through answering telephone enquiries, personal visits and correspondence with appropriate advice and referrals.

The Ministry library, which provides resources and research facilities for consumers, teachers and staff, is also under the Information and Education Branch.

During the reporting year, Public Affairs and Consumer Education:

- o prepared and distributed booklets explaining the new Residential Tenancy Act to all identifiable landlords and tenants;
- o produced posters and newspaper ads explaining Residential Tenancy Act;
- o distributed "Going Public", a new pamphlet for the Superintendent of Brokers;
- o distributed "Consumer Assistance Directory 1985" which provides self-help information to assist consumers in solving problems on their own;
- o re-designed and printed several existing pamphlets in the cheaper "Fast Fact" format;

- distributed a new educational videotape "Movin' On", designed to help first-time renters avoid rental problems, as a resource for the consumer education program; and,

- launched an internal newsletter for Ministry employees.

Distribution statistics can be found in the appendix.

Expenditures for Public Affairs and Consumer Education during the reporting year were $409,233; total full-time equivalents were eight.

Financial and Administrative Services

Financial and Administrative Services is responsible for the Ministry's system of financial administration, including budgetary preparation and control, accounting and reporting, financial policy development and implementation, administration of cross-ministry matters related to space, vehicles and communications and liaison with central agencies of government.

A staff of 16 carries out these responsibilities. Actual expenditures during the reporting year were $514,134.

The following major projects were completed during the reporting year:

- installation of a new computer-based accounting system, which reduced Ministry dependance upon central agencies for processing data and reporting information;

- development of the Ministry's Finance and Administration Procedures manual. The manual provides guidance to managers in applying the Financial Administration Act and government policy on financial management;

- reviewed and made recommendations on the system of collecting, recording, depositing and reconciling revenues received by the Ministry;

- introduced a computerized inventory system to control all negotiable securities held in trust by the Ministry;

- hired a financial planning and systems officer to assist in the evaluation of current systems to make recommendations for improvements; and,

- automated a number of internal budgetary control information systems to offer more accurate and timely information to Ministry managers and other government agencies.

Details of the Ministry's budget are provided in the appendix.

INDEX TO STATISTICAL TABLES

MINISTRY OF CONSUMER AND CORPORATE AFFAIRS
- Actual Expenditures 58
- Actual Revenues 59
- Full-time Equivalent Utilization 60
- Material Distributed to the Public 61

CONSUMER AND TENANCY RELATIONS
Consumer Credit and Debtor Assistance Branch
- Summary of Activities 62

Registrar of Travel Services 63

Consumer Investigations
- Enforcement Statistics 64
- Investigation Files 64
- Summary of Enforcement Proceedings 65

Registrar of Cemeteries
- Industry Profile 68
- Summary of Activities 68

Residential Tenancy Branch
- Statistical Information 69
- Subject Matter of Arbitration and Information Files Opened 69

Motor Dealer Licensing 69

CORPORATE AND FINANCIAL RELATIONS
Corporate, Central and Mobile Home Registry 70

Superintendent of Brokers, Insurance and Real Estate
- Comparative Analysis of Registrants, Licensees and Other Data 72
- Comparative Analysis of Offerings Submitted and Accepted Under the Securities Act 73
- Investigations and Inspections 74

Superintendent of Credit Unions, Co-operatives and Trust Companies 75

LIQUOR CONTROL AND LICENSING
- Liquor Licences 76
- Summary of Licences by Category 77
- Revenue for the Year Ended March 31, 1985 78

LIQUOR DISTRIBUTION BRANCH
- Balance Sheet as at March 31, 1985 79
- Statement of Income for the Year Ended March 31, 1985 79
- Statement of Changes in Province of British Columbia Advance 80

Actual Expenditures

PROGRAM	1982-83	1983-84	1984-85
Minister's Office	$ 193,001	$ 181,569	$ 205,776
Ministry Operations			
Executive and Administration			
Deputy Minister	146,670	138,735	237,273
Finance and Administration *	867,019	1,067,784	1,210,654
Legal Services **	148,194	118,787	101,925
Policy, Legislation and Program Planning	484,580	612,073	692,354
Education and Information	621,435	492,868	409,233
Subtotal	2,267,898	2,430,247	2,651,439
Consumer and Tenancy Relations			
Executive	308,335	196,040	250,540
Investigations	350,818	368,634	449,976
Consumer Credit and Debtor Assistance	843,910	789,459	1,006,101
Travel Agents	226,893	168,804	200,375
Motor Dealers	247,920	244,826	341,753
Cemeteries	134,142	123,344	155,175
Consumer Operations	665,100	580,992	0
Subtotal	2,777,118	2,472,099	2,403,920
Rentalsman/Residential Tenancy Branch	4,452,245	3,796,677	***2,518,117
Corporate and Financial Relations			
Executive	141,574	123,027	151,352
Corporate, Central and Mobile Home Registry****	4,119,372	4,147,263	5,125,632
Brokers, Insurance and Real Estate; Corporate Investigations	3,057,544	2,905,809	3,570,421
Credit Unions, Co-operatives and Trust Companies	657,398	626,453	923,471
Commissions/Boards	133,393	147,859	136,910
Subtotal	8,109,281	7,950,411	9,907,786

Licensing	1,757,942	1,626,722	1,923,267
Ministry Operations Total	19,364,484	18,276,156	19,404,529
Ministry Total	$19,557,485	$18,457,725	$19,610,305

* Includes the Executive Director's Office, Financial Services, Personnel Services and Operational Review.

** Lawyer's services for the Ministry of Consumer and Corporate Affairs are provided for by the Ministry of the Attorney General.

*** The Office of the Rentalsman ceased operations September 30, 1984. The Residential Tenancy Branch started operations on July 1, 1984.

**** Mobile Home Registry was part of the Ministry of Lands, Parks and Housing in the 1982-83 fiscal year.

MINISTRY OF CONSUMER AND CORPORATE AFFAIRS

Actual Revenues

PROGRAM	1982-83	1983-84	1984-85
Consumer and Tenancy Relations			
Consumer Credit and Debtor Assistance	$ 36,890	$ 42,977	$ 43,410
Travel Agents	86,132	57,202	60,540
Motor Dealers	274,333	251,933	250,210
Cemeteries	1,000	800	1,000
Consumer Operations	0	0	0
Subtotal	398,355	352,912	355,160
Rentalsman/Residential Tenancy Branch*	76,491	40,519	67,052
Corporate and Financial Relations			
Corporate, Central and Mobile Home Registry**	13,491,425	14,699,279	14,476,576
Brokers, Insurance and Real Estate; Corporate Investigations	2,442,649	1,668,388	2,144,860
Credit Unions, Co-operatives and Trust Companies	550,695	572,868	621,536
Commissions/Boards			
Subtotal	16,484,769	16,940,535	17,242,972

Liquor Control and			
Ministry Total	$32,010,962	$31,719,504	$33,149,302

* The Office of the Rentalsman ceased operations September 30, 1984. The Residential Tenancy Branch started operations on July 1, 1984.
** Mobile Home Registry was part of the Ministry of Lands, Parks and Housing in the 1982-83 fiscal year.

MINISTRY OF CONSUMER AND CORPORATE AFFAIRS

Full-time Equivalents Utilization

PROGRAM	1982-83	1983-84	1984-85
Minister's Office	7	7	7
Ministry Operations			
Executive and Administration			
Deputy Minister	3	3	3
Finance and Administration*	36	27	30
Legal Services	6	2	1
Policy, Legislation and Program Planning	15	13	13
Education and Information	17	14	8
Subtotal	77	59	55
Consumer and Tenancy Relations			
Executive	2	2	5
Investigations	10	10	10
Consumer Credit and Debtor Assistance	26	23	24
Travel Agents	5	3	4
Motor Dealers	8	7	8
Cemeteries	4	3	4
Consumer Operations	28	12	0
Subtotal	83	60	55
Rentalsman/Residential Tenancy Branch**	149	103	52

Relations			
Executive	2	2	2
Corporate, Central and Mobile Home Registry***	167	136	130
Brokers, Insurance and Real Estate; Corporate Investigations	104	83	82
Credit Unions, Co-operatives and Trust Companies	23	18	21
Commissions/Boards	1	1	1
Subtotal	297	240	236
Liquor Control and Licensing	53	45	47
Ministry Operations Total	659	507	445
Ministry Total	666	514	452

* Includes the Executive Director's Office, Financial Services, Personnel Services and Operational Review.
** The Office of the Rentalsman ceased operations September 30, 1984. The Residential Tenancy Branch started operations on July 1, 1984.
*** Mobile Home Registry was part of the Ministry of Lands, Parks and Housing in the 1982-83 fiscal year.

MATERIAL DISTRIBUTED TO THE PUBLIC

	1982-83	1983-84	1984-85
News releases	* ---	20,674	21,660
Acts	1,973	777	923
Brochures	142,219	52,575	135,125
Educational Materials	1,664	510	6,929
"Fast Facts" Information Sheets	357,000	108,771	65,043
General Advertising Guidelines	252	1,608	253
Motor Dealer Guidelines	2,238	309	647
Teacher's Kits	388	189	162
Surviving a Personal Financial Crisis Kit	24,540	1,237	3,476

* Not available

CONSUMER CREDIT AND DEBTOR ASSISTANCE BRANCH

Summary of Activities

	1982-83	1983-84	1984-85
Total debt-counselling sessions	6,969	5,333	5,121
Orderly payment of debts			
Orders granted	721	516	445
Orders paid/defaulted/ settled	326	520	530
Total OPD/DAB caseload	1,739	1,595	1,430
Trust funds disbursed			
OPD	$1,996,013	$2,718,465	$2,321,316
DAB	$ 535,581	$ 612,513	$ 289,499
Total	$2,531,594	$3,330,978	$2,610,815
Debt Collection Act			
Agency licences issued	123	147	145
Collection licences issued	633	724	560
Written complaints	172	191	144
Telephone complaints	2,650	2,930	2,861
Licences cancelled/ refused/suspended	4	17	9
Prosecutions	0	0	0
Credit Reporting Act			
Licences issued	40	38	38
Written complaints	30	29	28
Telephone complaints	220	120	140
Disclosures to consumers	21,664	22,366	28,970
Licences suspended/ cancelled/refused	Nil	Nil	Nil

	1982-83	1983-84	1984-85
Registrants			
Number of registrants as at April 1 (year beginning)	701	694	731
New registrants	102	86	84
Change of ownership		49	36
Closures	109	49	13
Number of registrants as at March 31 (year end)	694	731	802
Inspections			
Routine	25	204	64
Cemetery audits *	4	5	4
Claims against Travel Assurance Fund			
Number of claims paid	312	339	166
Consumers involved	673	881	924
Amount paid through claims	$ 242,371	$ 285,451	$ 119,573
Emergency payments			
Consumers assisted	714	474	540
Amount paid	$ 71,599	$ 53,[illegible]7	$ 181,906
Total funds paid out of Travel Assurance Fund	$ 313,970	$ 339,418	$ 301,414
Contributions to fund from registrants	$ 165,339	$ 176,834	$ 190,834
Initial contribution fees	$ 34,800	$ 34,500	$ 38,100
Recoveries from registrants in default	$ 2,219	$ 118,991	$ 73,046
Travel Assurance Fund as at March 31 (year end)	$ 45,304	$ 4,630	$ 8,930
Total B.C. sales by registrants	** --	$834,352,165	$947,705,278

* Assists Registrar of Cemeteries with financial audits upon request.
** Not available.

CONSUMER INVESTIGATIONS

Enforcement Statistics

	1982-83	1983-84	1984-85
Prosecutions	10	12	3
Substitute actions and defences	1	2	1
Assurance of voluntary compliance	7	2	6
Declarations/injunctions	Nil	Nil	Nil
Application for receiver	Nil	Nil	Nil
Criminal Code	1	2	2

Investigation Files
1984-85

	Victoria	Vancouver	Prince George	Kamloops	Total
Files opened	115	277	94	125	611
Files closed	125	259	90	118	592
Files on hand as at March 31	16	96	25	36	173

name withheld

A supplier, operating as a tax discounter, failed to pay the required 85 per cent to a consumer as refund. It was also claimed that transactions were not documented in writing; overpayments by Revenue Canada were not remitted and an annual report was not submitted to the Minister as required by the Consumer Protection Act.

In April, 1983, numerous charges were laid under the Consumer Protection Act and Criminal Code. On December 12, 1984, judgement was reserved after an extensive inquiry into whether documentary evidence relating to files which had been seized at the supplier's premises could be admitted. A subsequent written judgement followed. The documentary evidence was refused, and as a result, the prosecution withdrew its charges on January 4, 1985.

Reum Motors Ltd.

A consumer consigned his 1974 Oldsmobile to this supplier expecting to receive the best price, but no less than a net return of $1,500. Commission to the supplier was set at 15 per cent of the gross selling price. Complainant was told that his car had sold for $1,765 and later found that his vehicle actually sold for $2,450.

On January 4, 1984, charges of theft were laid under the Criminal Code. On September 4, 1984, the supplier was found guilty and received a $500 fine; a corporate probation order of six months for good behaviour keeping the peace, and ordered to pay restitution in the amount of $582.50 to the complainant. Its principal received a suspended sentence and an absolute discharge.

name withheld

A mobile home dealer sold homes to consumers without disclosing liens and encumbrances existed.

On March 4, 1983, charges of failure to state a material fact if the representation is deceptive were laid under the Trade Practice Act and Criminal Code. On April 27, 1984, charges were withdrawn against this supplier as the company was no longer in existence. Charges were also dismissed against the principals.

Dick Irwin Chevrolet Olds

This supplier advertised a monthly price without including the total price of the transaction and showed that certain vehicles were available for a low downpayment when the ordinary consumer would not qualify.

On May 22, 1984 the supplier signed an undertaking that any future advertisements would include terms which would ordinarily be available to a reasonable percentage of consumers, and where a downpayment is given, that full disclosure of additional charges would be made including the total price of the transaction.

Canshaw Enterprises dba Verndale Auto Sales

A consumer paid $7,000 for what was alleged to be a 1965 Mustang Shelby. It was, in fact, a Mustang 350 GT. When the purchaser learned the vehicle was

not a Shelby, he then claimed that he had paid an inflated price. The supplier denied the allegation.

On January 13, 1984, charges under the section of the Trade Practices Act respecting a representation that the subject of consumer transaction is of a particular standard, quality, grade, style or model were laid against the company and its principals. On June 25, 1984, Vern Geisler was fined $250 and Canshaw Enterprises was fined $2,000. An appeal against this sentence was abandoned on March 21, 1985.

George Dimor Motors Ltd.

This supplier agreed to sell a motor home on consignment for a consumer at a desired price of $20,000. The consumer was told the supplier had received $16,685 when in fact they had received substantially more.

Numerous charges under the section of the Trade Practice Act respecting deceptive or unconscionable practices were laid on January 27, 1983. On December 19, 1983, a $3,000 fine was imposed. On September 6, 1984, an appeal against this conviction was dismissed.

Simpsons Sears Ltd.

This supplier carried out a complete new brake installation to the front wheels of the Ministry's test vehicle, when the work was not required.

Charges were laid on December 17, 1982. On February 5, 1985, the supplier signed an undertaking to comply generally with the Trade Practice Act and to ensure that future representations are not made that the service part, replacement or repair is needed when it is not; however, this should not affect the supplier's policy, only to undertake complete brake repairs. Within 60 days of completing the undertaking, the supplier is to put up a poster in each of its B.C. centres clearly stating that it will not complete partial brake jobs.

name withheld

In the sale of a franchise, a supplier misrepresented profits to be realized and the assistance which would be provided.

On May 31, 1983, the Director of Trade Practice was substituted for the consumer.

On July 23, 1984, counsel recommended a satisfactory judgement could not be obtained in view of corporate changes. Action was ceased.

Southside Nissan Ltd.

The supplier sold a 1978 Ford Mustang, subject to an independent inspection by the British Columbia Automobile Association paid for by the consumer. Some of the pages of this report, which included serious defects, were removed before it was supplied to the consumer.

On September 10, 1984, an assurance of voluntary compliance was signed by this supplier to comply with the Trade Practice Act; to institute procedures; to ensure that similar practices would not be repeated. The contract with the consumer was rescinded.

Peoples Jewellers Ltd.

A consumer purchased a diamond ring from this supplier, receiving a guarantee which claimed that a full retail trade-in price allowance would be provided. When the consumer attempted to apply the guarantee, she was told that the new ring would cost $200 to $400 more.

On November 22, 1984, an undertaking was signed by the supplier to agree to comply with the Trade Practice Act and to ensure that any future advertisements or representations disclosed all facts and conditions material to the transaction.

Sullivan Pontiac Buick Ltd.

A consumer paid $200 to this car dealer in order to obtain an advertised credit rate of 10.9 per cent when purchasing a new vehicle.

Charges under the section of the Trade Practice Act respecting deceptive or unconscionable practices were laid against the supplier on November 18, 1983. On December 28, 1984, an undertaking was signed by the supplier to comply with the Trade Practice Act and to ensure that any future advertisements included an effective interest rate which took into account any addition or charges. The complainant received a refund of $200.

Great West Foods (Vernon) Ltd.

This supplier made misrepresentations during the sale of bulk foods, namely: failing to include total unit costs in unit prices, claiming that unit pricing was only for the purpose of equal value in substitutions, giving inaccurate prices in making comparison to local costs and requiring more than the $100 deposit permitted by the Consumer Protection Act.

On March 5, 1984, charges under the section of the Trade Practice Act respecting deceptive or unconscionable practices were laid and on September 13, 1984, the supplier pleaded guilty for four counts and was fined a total of $6,000. The supplier was also ordered to make restitution to the consumer in the amount of $1,842.93.

Simpsons Sears Ltd.

Supplier contracted to carry out roofing repairs to the home of Mr. George Paddock. The householder subsequently found that asphalt shingles of lesser quality than that advertised were used. He launched a small claims court action. The judge reduced the amount of the consumer's invoice pointing out that the supplier's advertising constituted a breach of the Trade Practice Act. The supplier appealed this decision.

The Director of Trade Practice was substituted for this consumer in order to defend the appeal. On August 24, 1984, reserved reasons for judgement were received. The appeal was dismissed and the amount of $1,654.49 (which was the original amount claimed) was reduced to $754.49. The consumer was also awarded $400 in damages.

Familiar Transmission Ltd., Banyon Holdings Ltd. and All Trans Automatic Ltd.

This supplier advertised a low cost automatic transmission

check. Where consumers did not agree to have further work carried out, they were told a fee would be necessary to reassemble the transmission.

On May 14, 1984, the supplier signed an undertaking that any future advertisement or representation would include full disclosure if a charge for reassembly was to be made.

REGISTRAR OF CEMETERIES

Industry Profile

	1982-83	1983-84	1984-85
Cemeteries	650	688	726
Mausolea	10	10	10
Columbaria	13	15	16
Crematoria	16	17	18
Funeral Homes	103	103	103
Perpetual Care Plans	155	158	161
Pre-paid Funeral Plans	28	30	33

Summary of Activities

	1982-83	1983-84	1984-85
Inspections of Cemeteries, Mausolea Columbaria and Crematoria	238	162	161
Perpetual Care Financial Reviews	61	57	37
Burial Areas Approved by Certificate	13	103	49
Funeral Plan Audits	25	25	28
Bylaw Amendments Approved	73	58	54
Rate Change Approvals	50	73	51
Consumer Complaints	28	35	35

RESIDENTIAL TENANCY BRANCH

(Figures cover from July 1, 1984 when branch became operational to March 31, 1985)

Statistical Information

Arbitration applications	
Opened	1,774
Closed	1,632
Information files	
Opened	479
Closed	359
Walk-ins	* 8,587
Telephone inquiries	* 86,803
Notice of rent increase received	** 20,280

Subject Matter of Arbitration and Information Files Opened

Repairs/services	115	(5.1%)
Order for possession	1,098	(48.7%)
Early termination	233	(10.3%)
Disputed termination	400	(17.8%)
Miscellaneous	407	(18.1%)
Total	2,253	

* The months reflecting overlap with the Office of Rentalsman were not included in calculation of average monthly volumes.

** These figures reflect some continued filing of notices for units other than mobile home pads, although no longer required by the legislation.

MOTOR DEALER LICENSING

	1982-83	1983-84	1984-85
Number of registered dealers	1,489	1,474	1,456
Registrations cancelled	25	21	24
Registrations suspended	1	2	0
Conditional registrations	1	1	0
Applications rejected	12	14	1
Dealer inspections	1,997	1,680	2,247
Complaints investigated	68	76	107
Violation charges laid	27	21	8
Hearings held	41	40	33
Problem solved prior to hearing	2	2	8

CORPORATE, CENTRAL AND MOBILE HOME REGISTRY

	1982/83	1983/84	1984/85
Corporate Registry			
New Incorporations/Registrations			
B.C. Companies	11,965	13,915	14,065
Extra-Provincial Companies	1,268	1,267	1,230
Trust Companies	6	2	4
Partnerships	4,265	6,241	6,940
Co-operatives	65	49	53
Societies	886	1,020	1,019
Changes of Name Registered			
Companies	3,425	3,656	3,646
Societies	100	99	123
Continuations			
In province	85	99	294
Out of province	121	116	132
Amalgamations	413	334	294
Roll-overs	572	540	852
Dissolutions during the Year			
Companies	9,335	7,712	30,999
Societies	1,667	45	132
Partnerships	241	292	385
Restoration of Companies	82	163	213
Encumbrance Filings	69,637	67,456	67,642
General Filings	230,839	257,953	255,296
Document Searches			
Companies	209,557	222,618	233,005
Names	63,926	75,623	82,254
Miscellaneous			
Certificates of Good Standing	4,553	4,731	4,889
Certificate of Copies	4,973	5,275	5,573
Change of Purposes - Societies	190	175	184

	1982/83	1983/84	1984/85
Central Registry			
Documents registered under Chattel Mortgage Act, Sale of Goods on Conditions Act, Book Accounts Assignment Act	329,801	365,887	363,408
Document Searches	305,926	326,744	315,005
Mobile Home Registry			
Transfer of Ownership	13,243	13,230	10,780
Searches	19,552	22,082	19,094
Copies of Documents	20,174	21,265	19,383
Revenue			
Corporate Registry	$7,013,241	$7,649,724	$8,064,625
Central Registry	$5,756,545	$6,341,185	$6,153,989
Mobile Home Registry	$1,014,050	$ 746,922	$ 616,638

BROKERS, INSURANCE AND REAL ESTATE
COMPARATIVE ANALYSIS OF REGISTRANTS, LICENSEES AND OTHER DATA
1983, 1984 AND 1985 FISCAL YEARS

	1982-83	1983-84	1984-85
Registrations/licences issued			
Securities Act	2,757	2,601	* 1,700
Mortgage Brokers Act	758	533	* 254
Investment Contracts Act	2	2	3
Insurance Act	13,599	9,579	* 3,866
Real Estate Act	14,740	15,277	* 7,155
Registrations/licences (as at March 31)			
Securities Act	2,104	3,053	3,309
Mortgage Brokers Act	669	623	566
Investment Contracts Act	2	2	3
Insurance Act	10,038	7,830	8,706
Real Estate Act	10,807	11,554	11,112
Vettings and filings			
Securities Act			
Prospectuses accepted	450	654	667
Statements of Material Facts accepted	172	219	122
Real Estate Act			
Subdivisions accepted	1,171	407	195
Strata property plans approved	634	548	244
Hearings			
Before the Superintendent or Deputy Superintendent	15	17	7
Rulings and orders			
Securities Act	2,524	2,725	2,623
Real Estate Act	22	7	8
Suspensions/cancellations			
Securities Act	1	Nil	1
Mortgage Brokers Act	4	5	4
Real Estate Act and Insurance Act	28	38	36

* Decreases attributable to change to two-year anniversary system for registrations and licensing in 1984.

COMPARATIVE ANALYSIS OF OFFERINGS SUBMITTED AND ACCEPTED UNDER THE SECURITIES ACT 1983, 1984 AND 1985 FISCAL YEARS

1983

	Number submitted	Number accepted	Amount ($000)
Prospectuses	582	450	$6,970,154
Statements of Material Facts	272	172	103,763
Rights Offerings	122	85	276,839
Private Placements	391	379	915,945
TOTALS	1,367	1,086	$8,266,701

1984

	Number submitted	Number accepted	Amount ($000)
Prospectuses	757	654	$ 8,809,737
Statements of Material Facts	260	219	163,250
Rights Offerings	138	116	2,436,877
Private Placements	458	450	1,427,804
TOTALS	1,613	1,439	$12,837,688

1985

	Number submitted	Number accepted	Amount ($000)
Prospectuses	890	667	$11,209,294
Statements of Material Facts	179	122	72,500
Rights Offerings	116	90	251,098
Private Placements	521	506	1,984,578
TOTALS	1,706	1,385	$13,517,470

INVESTIGATIONS AND INSPECTIONS

Files Investigated

Act Classifications	1982-83	1983-84	1984-85
Company Act			30
Criminal Code			80
Commodity Act			19
Credit Union Act			5
Investment Contract Act			3
Insurance Act	322	369	* 185
Mortgage Brokers Act	** 66	** 129	79
Real Estate Act	305	416	885
Securities Act	370	698	806
Societies Act			5
Other			2
Total	1,063	1,612	2,099

* The reason for the drop in insurance files category is that an insurance administrator now handles administrative complaints that were previously dealt with by investigators.

** Includes Criminal Code, Company Act, Commodity Act and other categories.

Prosecutions

	1982-83	1983-84	1984-85
Security Act	2	10	3
Insurance Act	0	3	1
Real Estate Act	1	1	0
Company Act	0	0	0
Criminal Code	2	0	9
	5	14	13

SUPERINTENDENT OF CREDIT UNIONS, CO-OPERATIVES AND TRUST COMPANIES

At year end, December 31	1982	1983	1984
Credit Unions			
Number	144	139	136
Members	930,000	932,000	960,000
	(,000)	(,000)	(,000)
Total assets	$5,210,774	$5,707,708	$6,004,000
Loans to members	3,857,766	4,445,696	4,541,351
Trust Companies			
Number	68	68	69
	(,000)	(,000)	(,000)
Total assets	$37,766,243	$39,124,877	$46,615,895
Demand deposits	502,795	675,500	689,458
G.I.C.'s & term deposits	1,839,508	2,030,248	2,264,519
Mortgage loans	4,490,678	4,206,255	4,416,171
Assets under administration	6,880,731	7,836,281	9,618,576

At fiscal year end, March 31	1982-83	1983-84	1984-85
Co-operatives			
Number	473	518	601
Members	284,340	295,903	355,032
	(,000)	(,000)	
Assets	$1,544,700	$1,907,600	$1,656,209
Gross revenue	$1,677,500	$1,908,500	$ 936,648

Inspections and Investigations

	1982-83	1983-84	1984-85
Inspections			
Trust Companies			
Main	8	17	24
Branch	24	22	40
Credit Unions Examinations	103	139	136

British Columbia Co-operatives by Type 1984-85

Housing	250	Others	18
Consumer	136	Workers	25
Producer	77	Extra-provincial	15
Service	58	Manufacturing	6
Community	16	Total	601

LIQUOR CONTROL AND LICENSING

Liquor Licences

1984-85

	Total Licences at April 1, 1984	Licences Issued	Licences Cancelled	Total Licences at March 31, 1985
A Licences *	1,537	75	23	1,589
B Licences	3,308	389	104	3,593
C Licences	239	10	7	242
D Licences	205	11	0	216
E Licences	14	1	0	15
F Licences	11	2	0	13
G Licences	0	0	0	0
Totals	5,314	488	134	5,668

1983-84

	Total Licences at April 1, 1983	Licences Issued	Licences Cancelled	Total Licences at March 31, 1984
A Licences	1,469	63	19	1,513
B Licences	3,041	318	99	3,260
C Licences	253	15	19	249
D Licences	183	15	2	196
E Licences	8	6	0	14
F Licences	0	3	0	3
Totals	4,954	420	139	5,235

1982-83

	Total Licences at April 1, 1982	Licences Issued	Licences Cancelled	Total Licences at March 31, 1983
A Licences	1,419	84	13	1,490
B Licences	2,910	324	95	3,139
C Licences	268	12	13	267
D Licences	176	8	1	183
E Licences	7	1	0	8
F Licences	7	0	0	7
Totals	4,787	429	122	5,094

* An explanation of licence categories can be found in the section on the Liquor Control and Licensing Branch earlier in this report.

LIQUOR CONTROL AND LICENSING

Summary of Licences by Category
1984-85

		Renewed Licences	New Licences	Cancelled Licences	Total Licences at year end
A Licences -	Public House	27	0	0	
	"A" Pub	397	12	5	
	Combined Pub	27	1	1	
	Lounge	1,055	62	16	
	Mess	31	0	1	
	Total	1,537	75	23	1,589
B Licences -	Sandwich Shop	0	28	2	
	Beer, Wine & Liqueurs	0	16	2	
	Dining Room	874	156	30	
	Dining Lounge	2,007	155	62	
	Dining Lounge /Holding Area	427	34	8	
	Total	3,308	389	104	3,593
C Licences -	Cabaret	239	10	7	242
D Licences -	Neighbourhood Public House	205	11	0	216
E Licences -	Sports Stadium	14	1	0	15
F Licences -	Marine Public House	11	2	0	13
G Licences -	Exposition	0	0	0	0
		5,314	488	134	5,668

LIQUOR CONTROL AND LICENSING

Revenue for the year ended March 31, 1985

Licence issuance fees	* $	860,350.00
Distillers Licence fees		7,000.00
Winery Licence fees		7,000.00
Brewers Licence fees		229,150.18
Special Occasion Licence fees		236,905.00
Liquor Purchase Assessment fees		14,093,531.25
Transfer of Licence fees		56,700.00
Transfer of Shares fees		11,300.00
Sundry receipts		5,116.41
		$15,507,052.84

* Revenue received from licence fees is calculated on an accrual basis. In other words, the portion of licence renewal fees received during the January 1 to March 31, 1984 period that are applicable to the 1984-85 period are carried forward.

Enforcement Statistics

	1982-83	1983-84	1984-85
Police walk-throughs	27,003	25,054	23,091
Warning letters	303	278	332
Hearings	158	140	119
Suspensions	65	70	67

Number of Appeals

	1982-83	1983-84	1984-85
Heard	50	54	83
Dismissed	19	36	56
Allowed	13	12	17
Pending	17	5	7
Not yet heard	13	7	0

LIQUOR DISTRIBUTION BRANCH
Balance Sheet
As at March 31, 1985

Assets

	1985	1984
Current Assets		
Cash	$11,410,129	$ 8,964,188
Accounts receivable	2,240,349	1,134,257
Inventories	43,103,917	37,244,846
	$56,754,395	$47,343,291
Fixed Assets, at cost	33,679,731	32,715,187
Less accumulated depreciation	21,718,516	18,534,161
	11,961,215	14,181,026
	$68,715,610	$61,524,317

Liabilities

Current Liabilities		
Accounts payable and accrued liabilities	$42,290,249	$37,228,065
Province of British Columbia Advance	26,425,361	24,296,252
	$68,715,610	$61,524,317

Summary of Statement of Income, year ending March 31, 1985

Statement of Income
For the Year Ended March 31, 1985

	1985	1984
Sales	$887,183,912	$857,511,493
Cost of merchandise sold	483,245,840	462,617,162
	403,245,840	394,617,162
Provincial malt levy	50,950,686	50,830,426
	454,888,758	445,724,757
Operating expenses	103,114,123	99,893,324
	351,774,635	345,831,433
Other income	1,904,209	3,687,440
Net income	$353,678,844	$349,518,873

STATEMENT OF CHANGES IN PROVINCE OF BRITISH COLUMBIA ADVANCE

For the Year Ended March 31, 1985

	1985	1984
Balance at beginning of year	$ 24,296,252	$ 21,804,237
Net income	353,678,844	349,518,873
Cash payments to Provincial Treasury	(351,678,844)	(349,026,858)
	$ 26,425,361	$ 24,296,252

NOTE: Full details of the branch's operation may be found in the Sixty Fourth Annual Report of the Liquor Distribution Branch for the year ended March 31, 1985.